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# TWENTY-NINTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE TWENTY-NINTH REPORT TO THE CONGRESS  
ON LEND-LEASE OPERATIONS, FOR THE  
QUARTER ENDING JUNE 30, 1949

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LEND-LEASE SETTLEMENT WITH ETHIOPIA  
FINAL LEND-LEASE PAYMENTS BY  
DOMINICAN REPUBLIC AND VENEZUELA  
PATENT INTERCHANGE WITH UNITED KINGDOM  
LEND-LEASE FISCAL OPERATIONS  
MARCH 11, 1941, THROUGH JUNE 30, 1949



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**Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. Code 414 (b))**

**II**

## PRESIDENT'S LETTER OF TRANSMITTAL

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The WHITE HOUSE, *January 9, 1950.*

*To the Congress of the United States:*

I am transmitting herewith the Twenty-ninth Report to Congress on Lend-Lease Operations, for the quarter ending June 30, 1949.

This report contains in appendix I a report on lend-lease fiscal operations, prepared by the Treasury Department and submitted to the Secretary of State in accordance with Executive Order 9726. This fiscal report covers the period from March 11, 1941, through June 30, 1949.

In April 1949 the Dominican Republic and Venezuela completed payment of their accounts under their respective lend-lease agreements.

A settlement agreement was signed with Ethiopia on May 20, 1949, and appears in this report as appendix II.

On September 27, 1949, understanding was reached with Soviet representatives as to the dates and procedures for the return of 3 icebreakers and 27 frigates of the United States Navy which had been made available to the Union of Soviet Socialist Republics under lend-lease. Negotiations with the Soviet Union on other lend-lease matters have resulted in some progress but as yet there has been no substantial agreement on several of the major issues.

Other lend-lease activities during the period covered by this report included the continuation of final settlement negotiations and other winding-up activities, described more fully in the report itself.

HARRY S. TRUMAN.

(Enclosure: Twenty-ninth Report to Congress on Lend-Lease Operations.)





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## TWENTY-NINTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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### LEND-LEASE SETTLEMENT AND PAYMENTS—PATENT INTERCHANGE

During the period covered by this report, April 1 through June 30, 1949, a settlement agreement with Ethiopia was concluded. In addition, the Dominican Republic and Venezuela completed payments on account and claims of British and American inventors were processed under the patent interchange agreement with the United Kingdom.

#### SETTLEMENT

##### *Ethiopia*

A settlement agreement was signed with Ethiopia on May 20, 1949, covering lend-lease, reciprocal aid, and financial claims arising out of World War II.

Under the terms of the settlement, the Imperial Government of Ethiopia agreed to pay to the Government of the United States the sum of \$200,000 which is considered as payment for lend-lease goods of civilian utility remaining in inventory on VJ-day. These funds can be used, in Ethiopia, for any of the following purposes to which both Governments agree, or any combination thereof, at the option of the United States Government: (1) Transfer of property to the United States and improvements to United States property, or (2) educational and cultural programs of benefit to both countries, or (3) defraying expenses of the Government of the United States and its agencies. Within 5 years and 90 days after the date of this agreement, the Imperial Government of Ethiopia will pay to the Government of the United States, in United States dollars, any remaining balance of the \$200,000.

The total of lend-lease aid to Ethiopia, in round figures, is \$5,152,000 most of which was expended during the course of hostilities.

This figure for total lend-lease aid does not include the 5,425,000 ounces of silver transferred to Ethiopia by the United States under lend-lease, the dollar equivalent of which, at the time of transfer, was approximately \$3,858,000. Nothing in the agreement of May 20, 1949, affects the obligation of the Imperial Government of Ethiopia to return to the Government of the United States an amount of silver bullion equivalent to the total number of ounces transferred to Ethiopia under the Lend-Lease Act of March 11, 1941.

The text of the agreement appears in this report as appendix II.

#### PAYMENTS

##### *Dominican Republic*

In April 1949 the Government of the Dominican Republic paid the balance of \$92,691.19 due on its account and thus discharged in full its obligations under the lend-lease agreement signed in Washington on August 2, 1941.

*Venezuela*

On April 27, 1949 the Government of Venezuela paid \$411,243.39 in full liquidation of the balance due on its account under the lend-lease agreement of March 18, 1942.

## PATENT INTERCHANGE WITH UNITED KINGDOM

Additional mutual aid has been exchanged with the United Kingdom in the form of payments to British and American inventors for inventions used in war production by the Governments of the United States and the United Kingdom. Each Government has paid its own nationals.

During the war procurement and production for the United States and British Governments of tremendous quantities of articles of all kinds gave rise to claims by inventors for large sums in royalties. Among the claimants were nationals of the United Kingdom owning United States patents, and nationals of the United States owning United Kingdom patents. For example, the products involved in some of the British claims included winged target, life-preserver jacket, bombs, bomb release, engine muffler, torpedo boat, spark plug, torpedo-attack teacher, radar, and many other articles used in the war effort.

In order to dispose of these claims on the basis of mutual aid, the United States and the United Kingdom signed a patent interchange agreement in 1942, amended in 1946, whereby each Government agreed to pay its own nationals for use by the other Government of inventions in war production. The payments by the United States were lend-lease expenditures; the British payments were reverse lend-lease. The text of the 1946 agreement<sup>1</sup> appears in this report as appendix III.

The Department of State, as successor to the Office of Lend-Lease Administration and the Foreign Economic Administration, is the agency that deals with the United Kingdom in carrying out the agreement. However, an Interdepartmental Patent Interchange Committee has been established to assist in obtaining procurement information and other information for the British authorities, and to facilitate the consideration of claims of American nationals. This Committee consists of representatives of the following Departments: Army, Navy, Justice, Air Force, and State.

Although the claims of many American inventors have been settled by the United States, other claims are still under consideration, so that the total amount to be paid to claimants cannot yet be determined. Up to the present time the claims of United Kingdom nationals against the United States which have been settled by the British authorities have been substantially larger in number and in total amount of money involved than claims of American nationals against the British Government requiring payment by the United States. In the Third Deficiency Appropriation Act, 1949, Public Law 343, approved October 10, 1949, the Congress authorized continual expenditure of lend-lease funds for such payments by the United States.

<sup>1</sup> Interchange of Patent Rights, Information, Inventions, Designs, or Processes, agreement signed March 27, 1946, Treaties and Other International Acts, Series 1510 (60 Stat. 1566).

## APPENDIXES

### APPENDIX I

UNITED STATES TREASURY DEPARTMENT REPORT ON LEND-LEASE  
FISCAL OPERATIONS, JUNE 30, 1949, UNDER EXECUTIVE ORDER  
No. 9726

TREASURY DEPARTMENT,  
Washington.

Hon. DEAN ACHESON,  
*Secretary of State, Washington 25, D. C.*

MY DEAR MR. SECRETARY: Pursuant to paragraph 2 (b) of Executive Order No. 9726, dated May 17, 1946, there is submitted herewith a report of lend-lease fiscal operations covering the period March 11, 1941, through June 30, 1949.

Summary reports have been prepared by the Treasury Department on the basis of reports submitted by the various agencies receiving allocations of defense-aid funds. The procuring and servicing agencies maintain the detailed records of transactions carried on within their respective agencies with funds made available from defense-aid appropriations and within authorizations to expend other appropriations for lend-lease purposes.

The amounts reported herein are subject to adjustment arising from transfers made to foreign governments but not yet reported to this Department by the several procuring and servicing agencies.

Very truly yours,

JOHN W. SNYDER,  
*Secretary of the Treasury.*

#### STATEMENT I

This statement shows the total appropriations made to the President for defense-aid purposes and limitations established by law under which expenditures for defense aid could be made by the Departments of the Army and the Navy and the Maritime Commission.

The statement further shows total obligations and expenditures, both paid and unpaid, and the unobligated balances of such funds transferred to surplus.

# 4 TWENTY-NINTH REPORT TO CONGRESS ON LEND-LEASE

## STATEMENT I.—Summary statement relating to defense aid appropriations and authorizations Mar. 11, 1941, through June 30, 1949

### FUNDS MADE AVAILABLE

Direct appropriations for lend-lease (see statement I-A).....		\$30,698,248,000.00
Less:		
Rescissions by the Congress (see statement I-B).....	\$3,356,595,102.44	
Transfers of lend-lease funds to other agencies for other than lend-lease purposes, authorized by law (see statement I-C).....	885,000,000.00	
		<u>4,241,595,102.44</u>
Total direct appropriations (net).....		26,456,652,897.56
Maximum amount authorized to be expended from appropriations to Military Establishments and other Government agencies for defense aid (see statement I-D).....		39,228,018,231.38
Total funds made available.....		<u>65,684,671,128.94</u>

### DISPOSITION OF FUNDS

Appropriated funds obligated and expended (see statement I-E).....	\$50,034,861,079.90	
Rescissions by administrative action (see statement II).....	1,316,130,281.61	
Funds authorized to be expended from appropriations to Military Establishments for defense aid in excess of actual expenditures (see statement I-F).....	14,325,392,400.98	
Total disposition of funds.....		65,676,383,762.49

### UNOBLIGATED BALANCE OF FUNDS TRANSFERRED TO SURPLUS

Unallocated balance of appropriated funds (see statement II).....	\$1,707,912.64	
Unobligated balance of allotted funds (see statement III).....	6,579,453.81	
		<u>18,287,366.45</u>
Total funds.....		65,684,671,128.94

<sup>1</sup> Appropriations lapsed June 30, 1949, and balances transferred to Treasury surplus fund, except for \$1,000,000 of appropriated funds extended to June 30, 1950, pursuant to Public Law 343, approved Oct. 10, 1949, for payment of claims under the patent interchange agreement, executed pursuant to the Lend-Lease Act.

### STATEMENT I-A. FUNDS MADE AVAILABLE BY DIRECT APPROPRIATION FOR LEND-LEASE

1. Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23, 77th Cong., approved Mar. 27, 1941).....	\$7,000,000,000
2. Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282, 77th Cong., approved Oct. 28, 1941).....	5,985,000,000
3. Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474, 77th Cong., approved Mar. 5, 1942).....	5,425,000,000
4. Defense Aid Supplemental Appropriation Act, 1943, (Public Law 70, 78th Cong., approved June 14, 1943).....	6,273,629,000
5. Defense Aid Appropriation Act, 1945 (Public Law 382, 78th Cong., approved June 30, 1944).....	3,538,869,000
6. Defense Aid Appropriation Act, 1946 (Public Law 132, 79th Cong., approved July 5, 1945).....	2,475,000,000
7. Defense Aid Supplemental Appropriation Act, 1948 (Public Law 271, 80th Cong., approved July 30, 1947).....	500,000
8. Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong., approved June 25, 1948).....	250,000
Total (see statement II).....	<u>130,698,248,000</u>

<sup>1</sup> Does not include \$100,000 appropriated for Treasury liquidation activities in fiscal year 1950, by "Third Deficiency Appropriation, 1949," Public Law 343, approved Oct. 10, 1949.

### EXTENSION OF AVAILABILITY OF APPROPRIATIONS

The First Deficiency Appropriation Act, 1948 (Public Law 519, 80th Cong., approved May 10, 1948), extended the availability of \$4,000,000 from the unexpended balances of lend-lease appropriations for the completion of the construction of port facilities and access roads in Monrovia, Liberia, until June 30, 1950.

The Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong., approved June 25, 1948), extended the availability of \$25,000,000 from the unexpended balances of lend-lease appropriations through June 30, 1949, for the payment of lend-lease obligations incurred prior to June 30, 1946, and for the payment of claims approved prior to June 30, 1949, under a patent interchange agreement executed pursuant to the Lend-Lease Act.

The Third Deficiency Appropriation Act, 1949 (Public Law 343, 81st Cong., approved Oct. 10, 1949), extended the availability of \$1,000,000 from the unexpended balances of lend-lease appropriations through June 30, 1950, for the payment of claims approved prior to Dec. 31, 1949, under a patent interchange agreement extended pursuant to the Lend-Lease Act.

### STATEMENT I-B. RESCISSIONS BY THE CONGRESS

1. Rescinded by First Supplemental Surplus Appropriation Act, 1946 (Public Law 301, 79th Cong., approved Feb. 18, 1946).....	\$1,739,561,000.00
2. Rescinded by Second Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 391, 79th Cong., approved May 27, 1946) (\$1,080,000,000 less \$135,000,000 transferred to the account of the United Nations Relief and Rehabilitation Administration).....	945,000,000.00
3. Rescinded by Third Deficiency Appropriation Act, 1946 (title II, Third Supplemental Surplus Appropriation Rescission Act, 1946) (Public Law 521, 79th Cong., approved July 23, 1946).....	672,000,000.00



**STATEMENT I.—Summary statement relating to defense aid appropriations and authorizations Mar. 11, 1941, through June 30, 1949—Continued**

**STATEMENT I-B. RESCISSION BY THE CONGRESS—Continued**

4. Rescinded by Third Deficiency Appropriation Act, 1946 (title II, Third Supplemental Surplus Appropriation Rescission Act, 1946) (Public Law 521, 79th Cong., approved July 23, 1946) (Coast Guard).....	\$34, 102. 44
Total (see statement II).....	3, 356, 595, 102. 44

**STATEMENT I-C. TRANSFERS OF LEND-LEASE FUNDS TO OTHER AGENCIES FOR OTHER THAN LEND-LEASE PURPOSES, AUTHORIZED BY LAW**

1. Transferred to the account of the United Nations Relief and Rehabilitation Administration (Public Law 391, 79th Cong., \$135,000,000, and Public Law 382, 78th Cong., title II, sec. 202, \$350,000,000, of which only \$250,000,000 was transferred in funds)....	\$385, 000, 000
2. Transferred to the Department of State (Office of Foreign Liquidation Commissioner), reserve for postwar price support agriculture (Public Law 132, 79th Cong., title II, secs. 201 (d) and 202). This amount was subsequently paid to the Commodity Credit Corporation, Department of Agriculture, in compliance with title I, First Supplemental Surplus Appropriation Act, 1946 (Public Law 301, 79th Cong., approved Feb. 18, 1946).....	500, 000, 000
Total (see statement II).....	885, 000, 000

**STATEMENT I-D. MAXIMUM AMOUNT AUTHORIZED TO BE EXPENDED FROM APPROPRIATIONS TO MILITARY ESTABLISHMENTS AND OTHER GOVERNMENT AGENCIES FOR DEFENSE AID**

The appropriations made to the Department of the Army included a section which read substantially as follows:

"Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated for the Military Establishment prior to or since March 11, 1941, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11). The value of defense articles disposed of under this authority shall not exceed \* \* \*."

The appropriations made to the Department of the Navy a section which reads substantially as follows: "Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary to sell, or otherwise dispose of, in accordance with the Act of March 11, 1941 (Public Law 11), to the government of any country whose defense the President deems vital to the defense of the United States, defense articles, information, and services procured from any funds appropriated to the Department of the Navy subsequent to March 11, 1941: *Provided*, That the total value of defense articles (other than ships), information, and services disposed of under this authority shall not exceed \* \* \*."

The amounts authorized to be expended in the Appropriation Acts of the War and Navy Departments which carried the above provisions of law were as follows:

**Department of the Army:**

1. Third Supplemental National Defense Appropriation Act, 1942, title I: "Title III, Military Appropriation Act, 1942" (Public Law 353, 77th Cong., approved Dec. 17, 1941).....	\$2, 000, 000, 000. 00
2. Fourth Supplemental National Defense Appropriation Act, 1942, title I: "Title IV, Military Appropriation Act, 1942" (Public Law 422, 77th Cong., approved Jan. 30, 1942).....	4, 000, 000, 000. 00
3. Fifth Supplemental National Defense Appropriation Act, 1942, title I: "Title V, Military Appropriation Act, 1942" (Public Law 474, 77th Cong., approved Mar. 5, 1942).....	11, 250, 000, 000. 00
4. Sixth Supplemental National Defense Appropriation Act, 1942, title I: "Title VI, Military Appropriation Act, 1942" (Public Law 528, 77th Cong., approved Apr. 28, 1942).....	2, 220, 000, 000. 00
5. Military Appropriation Act, 1943 (Public Law 649, 77th Cong., approved July 2, 1942).....	12, 700, 000, 000. 00
	\$32, 170, 000, 000. 00

**Department of the Navy:**

6. Second Supplemental National Defense Appropriation Act, 1943, title I: "Title III, Naval Appropriation Act, 1943" (Public Law 763, 77th Cong., approved Oct. 26, 1942).....	3, 000, 000, 000. 00
7. Also under the act of Mar. 11, 1941 (Public Law 11, 77th Cong.), provision was made whereby articles procured with funds appropriated prior to Mar. 11, 1941, could be transferred to foreign governments to the limit of \$1,300,000,000. Section 102 of the act entitled "Title III, Military Appropriation Act, 1942," reduced the limitation to the amount of \$800,000,000 and stated that it was not applicable to the Department of the Army after the date of the afore-mentioned act....	800, 000, 000. 00
8. Public Law 1, 78th Cong., approved Feb. 19, 1943, and Public Law 763, 77th Cong., approved Oct. 26, 1942, authorized the leasing of ships of the Department of the Navy without any limitation as to the dollar value or the number of such ships which may be so leased.....	2, 637, 370, 821. 00
	\$6, 437, 370, 821. 00

**Maritime Commission (War Shipping Administration):**

9. Public Law 11, 77th Cong., approved Mar. 11, 1941, authorized the leasing of merchant ships constructed with funds appropriated to the Maritime Commission without any limitation as to the dollar value or the number of such ships which may be so leased.....	\$620, 647, 410. 38
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Total authorizations..... 39, 228, 018, 231. 38

Amount of transfers under authority granted.

STATEMENT I.—*Summary statement relating to defense aid appropriations and authorizations Mar. 11, 1941, through June 30, 1949—Continued*

STATEMENT I-E. APPROPRIATED FUNDS OBLIGATED AND EXPENDED

Lend-lease appropriations.....	\$25,132,235,249.50
Department of the Army appropriations.....	19,525,982,663.21
Department of the Navy appropriations.....	4,755,995,756.81
Maritime Commission (War Shipping Administration) appropriations.....	620,647,410.38
Total.....	50,034,861,079.90

STATEMENT I-F. FUNDS AUTHORIZED TO BE EXPENDED FROM APPROPRIATIONS TO MILITARY ESTABLISHMENTS FOR DEFENSE AID IN EXCESS OF ACTUAL EXPENDITURES

	Authorized limitations	Expenditures	Balance
Department of the Army.....	\$32,170,000,000.00	\$19,525,982,663.21	\$12,644,017,336.79
Department of the Navy.....	6,437,370,821.00	4,755,995,756.81	1,681,375,064.19
Maritime Commission.....	620,647,410.38	620,647,410.38	-----
Total.....	39,228,018,231.38	24,902,625,830.40	14,325,392,400.98

STATEMENT II

This statement indicates the status of appropriations made to the President by Congress for lend-lease purposes. It sets forth in summary form by appropriation category title the total amount appropriated as reported under the first item in statement I. The original appropriation act and subsequent amendments authorized the President to make transfers between all appropriation categories with the exception of funds for administrative expenses. The making of adjustments was authorized by Congress in order to expedite the war effort and to assure the most effective use of defense aid funds. The President delegated to the Administrator the authority to make transfers between categories. This statement reflects all adjustments made to date and is prepared on the basis of warrants issued by the Secretary of the Treasury and approved by the Comptroller General.

STATEMENT II.—Status of lend-lease appropriations, by categories, cumulative through June 30, 1949

Category	Appropriations by Congress	Transfers between categories	Rescissions by the Congress	Transfers out of program	Net appropriations	Rescissions by administrative action	Allocations through June 30, 1949	Unallocated balances through June 30, 1949
Ordnance and ordnance stores.....	\$2,533,000,000	\$1,103,102,380.53	\$79,490,000.00		\$1,350,407,619.47	\$20,607,810.90	\$1,329,799,808.57	
Aircraft and aeronautical material.....	2,739,000,000	1,316,622,218.96	160,205,000.00		2,262,172,781.04	41,154,998.20	2,221,017,782.84	
Tanks and other vehicles.....	876,015,000	1,26,742,059.74	49,961,000.00		799,311,940.26	33,653,829.79	765,658,110.47	
Vessels and equipment for vessels.....	4,432,991,000	510,825,053.73	367,614,102.44		4,576,201,951.29	237,728,896.52	4,338,473,054.77	
Miscellaneous military equipment, supplies, and materials.....	415,000,000	1,135,275,946.50	8,963,000.00		270,761,053.50	1,343,328.79	269,417,724.71	
Facilities and equipment for production.....	1,238,450,000	1,151,892,926.54	20,837,000.00		1,065,620,073.46	35,682,158.04	1,029,937,915.42	
Agricultural, industrial, and other commodities and articles.....	16,584,626,000	1,818,162,937.79	2,462,716,000.00	\$885,000,000	15,055,072,937.79	799,359,216.68	14,255,713,741.11	
Servicing of defense articles.....	842,348,000	1,62,259,679.56	162,766,000.00		617,322,320.44	95,800,403.45	521,521,916.99	
Miscellaneous services and expenses.....	1,090,000,000	1,567,592,799.69	43,943,000.00		388,464,200.31	48,321,204.60	340,142,935.71	
Administrative expenses.....	36,068,000				36,068,000.00	1,793,569.73	34,274,430.27	
Liquidation program—11170031.....		5,500,000.00			5,500,000.00	4,775,135.09	500,000.00	\$40,000.00
Miscellaneous services and expenses—11170028.....	500,000				500,000.00		500,000.00	
Liquidation program—110033.....		4,000,000.00			4,000,000.00		4,000,000.00	
Defenses and services and expenses—119032.....	250,000	25,000,000.00			25,000,000.00		23,332,087.36	1,667,912.64
Total.....	30,698,248,000		3,356,595,102.44	\$85,000,000	26,456,652,897.56	1,316,130,281.61	25,138,814,703.31	3,170,791,612.64

<sup>1</sup> Credit.

<sup>2</sup> For an analysis of allocations by agency and category see statement III.

<sup>3</sup> Includes \$1,000,000 extended to June 30, 1950, pursuant to Public Law 343, 81st Cong.

## STATEMENT III

These statements show the status, as of June 30, 1949, of funds allocated from lend-lease appropriation categories to procuring agencies as reflected in reports submitted by such agencies. These reports show, as of June 30, 1949, the funds allocated, obligated and expended together with unobligated allocations, unliquidated obligations and funds carried to surplus.

STATEMENT III.—Analysis of allocations, obligations and expenditures by category and agency under the Lend-Lease Act, cumulative through June 30, 1949

Category and agency	Allocations	Obligations	Expenditures	Unexpended balances transferred to surplus	
				Unobligated allocations	Unliquidated obligations
LEND-LEASE APPROPRIATIONS					
Ordnance and ordnance stores:					
Department of the Navy.....	\$396,244,996.26	\$396,000,939.49	\$396,000,939.49	\$244,056.77	
Treasury Department.....	47,417.41	7,417.41	47,417.41		
Department of the Army.....	933,507,394.90	933,500,976.62	933,500,976.62	6,418.28	
Total.....	1,329,769,808.57	1,329,549,333.52	1,329,549,333.52	250,475.05	
Aircraft and aeronautical material:					
Department of the Navy.....	195,861,374.12	195,719,535.39	195,719,535.39	141,838.73	
Department of Commerce (loan agencies—RFC).....	328,826.16	328,826.16	328,826.16		
Treasury Department.....	5,217,121.38	5,217,121.38	5,217,121.38		
Department of the Army.....	2,019,610,461.18	2,019,461,768.77	2,018,788,821.22	158,692.41	\$672,947.55
Total.....	2,221,017,782.84	2,220,727,251.70	2,220,054,304.15	290,531.14	672,947.55
Tanks and other vehicles:					
Department of the Navy.....	11,266.96	11,266.96	11,266.96		
Treasury Department.....	124,554,088.52	124,557,253.92	124,543,420.39	13,165.00	13,833.13
Department of the Army.....	640,261,754.99	640,152,422.87	640,124,782.33	109,332.12	27,640.54
Treasury Department (LLFO).....	831,000.00	831,000.00	514,947.19		316,052.81
Total.....	765,658,110.47	765,551,943.35	765,194,416.87	106,167.12	357,526.48
Vessels and equipment for vessels:					
Department of Commerce (loan agency—RFC).....	1,708,102.38	1,708,102.38	1,708,102.38		
Maritime Commission.....	625,021,061.98	625,021,061.98	619,841,238.54		5,179,823.44
Department of the Navy.....	650,347,567.76	649,727,622.85	649,612,864.25	619,944.91	114,758.80
Treasury Department.....	1,328,006.59	1,328,006.59	1,327,877.74		128.85
Department of the Army.....	300,071.64	300,071.64	298,890.84		1,180.00
War Shipping Administration.....	3,059,768,244.42	3,059,768,244.42	3,001,744,094.25		58,024,150.17
Total.....	4,338,473,054.77	4,337,853,109.86	4,274,533,068.00	619,944.91	63,320,041.86

STATEMENT III.—Analysis of allocations, obligations and expenditures by category and agency under the Lend-Lease Act, cumulative through June 30, 1949—Continued

Category and agency	Allocations	Obligations	Expenditures	Unexpended balances transferred to surplus	
				Unobligated allocations	Unliquidated obligations
LEND-LEASE APPROPRIATIONS—continued					
Miscellaneous military equipment supplies and materials:					
Office of Scientific Research and Development.....	\$179,850.91	\$179,850.91	\$179,850.91		
Department of the Navy.....	10,826,680.49	10,826,680.49	10,826,680.49		
Treasury Department.....	3,403,889.10	3,403,889.10	3,403,889.10		
Department of the Army.....	255,007,304.21	255,008,962.02	255,006,462.76	1 \$1,657.81	\$2,499.26
Total.....	269,417,724.71	269,419,382.52	269,416,883.26	1 1,657.81	2,499.26
Facilities and equipment for production:					
Department of Agriculture.....	4,605,042.14	4,605,042.14	4,605,042.14		
Maritime Commission.....	65,710,576.05	65,710,576.05	65,699,901.94		10,674.11
Department of the Navy.....	88,635,463.12	88,604,731.97	88,604,731.97	30,731.15	
Treasury Department.....	115,773,045.92	115,773,045.92	115,663,003.97		110,041.95
Department of the Army.....	755,213,786.19	755,149,515.04	754,919,767.14	64,273.15	229,747.90
Total.....	1,029,937,915.42	1,029,842,911.12	1,029,492,447.16	95,004.30	350,463.96
Agricultural, industrial, and other commodities and articles:					
Department of Agriculture.....	6,592,032,255.75	6,559,560,342.30	6,559,535,941.24	2,471,913.45	24,401.06
Maritime Commission.....	17,100,600.87	17,100,600.87	17,100,600.87		44,733.84
Department of the Navy.....	2,324,523,774.56	2,323,008,218.43	2,322,963,484.59	1,515,556.13	75,532.55
Treasury Department.....	4,577,223,082.61	4,577,223,082.61	4,577,147,550.06		
Office of the Secretary	283,006,106.37	283,006,106.37	283,006,106.37		
Department of the Army.....	310,123,378.63	310,066,931.61	310,043,927.66	56,447.02	23,003.95
War Shipping Administration.....	60,257,506.52	60,257,506.52	60,111,496.97		146,009.55
Public Housing Administration.....	43,357,148.80	43,214,135.00	42,640,426.66		573,708.34
Treasury Department (LLFO).....	46,664,404.35	46,664,404.35	46,566,337.64	143,013.80	108,066.71
Reconstruction Finance Corporation (USCC).....	21,425,482.65	21,425,482.65	21,425,482.65		
Total.....	14,255,713,741.11	14,251,526,810.71	14,250,531,354.71	4,186,930.40	995,456.00
Servicing of defense articles:					
Maritime Commission.....	46,799,622.41	46,799,622.41	46,599,219.97		200,402.44
Department of the Navy.....	97,574,486.00	97,565,119.06	97,565,119.06	9,316.94	
1 Credit.					

Department of the Army.....	15,003,062.86	14,989,106.67	14,989,106.67	14,989,106.67	13,956.19	2,756,558.62
War Shipping Administration.....	362,144,765.82	362,144,795.72	399,386,237.10	399,386,237.10	2,273.13	2,958,961.06
Total.....	521,521,916.99	521,498,643.86	518,539,682.80	518,539,682.80	23,273.13	2,958,961.06
Miscellaneous services and expenses:						
Department of Agriculture.....	10,432,249.69	10,432,152.52	10,432,152.52	10,432,152.52	97.07	
Office of Scientific Research and Development.....	6,703,546.23	6,703,546.23	6,703,546.23	6,703,546.23		
Office of Defense Transportation.....	1,775,556.17	1,775,556.17	1,775,556.17	1,775,556.17		
Central Administrative Services.....	1,000,116.44	1,000,116.44	1,000,116.44	1,000,116.44		
Export-Import Bank Washington.....	7,000,000.00	7,000,000.00	7,000,000.00	7,000,000.00		
Department of State (RFA activities).....	489,087.87	489,087.87	489,087.87	489,087.87	7,965.72	
Treasury Department (LLFO).....	290,000.00	290,000.00	290,000.00	290,000.00		
Federal Security Agency.....	347,500.00	347,500.00	347,500.00	347,500.00	6,528.53	
Department of Interior.....	347,500.00	347,500.00	347,500.00	347,500.00		
Maritime Commission.....	255,653.62	255,653.62	255,653.62	255,653.62		
Department of the Navy.....	39,243,550.20	43,240,018.40	37,355,610.67	37,355,610.67	13,996,468.29	
Department of State.....	61,531,043.36	61,480,518.79	61,480,518.79	61,480,518.79	50,524.39	
Treasury Department.....	206,459,663.21	205,613,852.57	205,972,539.79	205,972,539.79	845,810.64	
War Shipping Administration.....	5,949,931.42	5,949,931.42	3,130,383.84	3,130,383.84		
Department of the Navy—111/0028.....	4,000,000.00	3,598,013.85	1,678,244.38	1,678,244.38	1,986.15	
Total.....	344,167,995.71	347,250,615.35	336,502,639.54	336,502,639.54	13,082,619.64	10,747,976.81
Administrative expenses:						
Department of Agriculture.....	14,022,365.45	14,022,365.45	14,022,365.27	14,022,365.27		30.18
Department of Commerce (Census).....	425,687.59	425,687.59	425,687.59	425,687.59		
Bureau of the Budget.....	16,945.33	16,945.33	16,945.33	16,945.33		
White House.....	29,187.44	29,187.44	29,187.44	29,187.44		
Central Administrative Services.....	3,854,454.61	3,854,454.61	3,854,454.61	3,854,454.61		
Treasury Department (LLFO).....	324,756.12	324,756.12	319,523.02	319,523.02		
General Accounting Office.....	2,543,941.98	2,543,960.72	2,543,855.42	2,543,855.42	81.26	6,233.10
Department of Labor.....	1,500.00	1,500.00	1,500.00	1,500.00		6.80
Maritime Commission.....	1,055,727.90	1,055,727.90	1,055,727.80	1,055,727.80		
Department of the Navy.....	863,389.72	863,389.72	863,389.72	863,389.72		
Treasury Department.....	8,170,366.72	8,170,366.72	8,170,341.72	8,170,341.72	15.92	9.08
War Shipping Administration.....	1,610,088.31	1,610,088.31	1,610,088.31	1,610,088.31		
War Shipping Administration.....	1,366,019.20	1,366,019.20	1,366,019.20	1,366,019.20		
Total.....	34,274,430.27	34,274,333.09	34,286,055.43	34,286,055.43	97.18	5,277.66
Liquidation program:						
Treasury Department—111/70031.....	3,211,000.00	3,132,876.06	3,132,876.06	3,132,876.06	78,122.94	18.07
Treasury Department—111/80031.....	500,000.00	452,440.65	452,440.65	452,440.65	47,559.35	13,366.08
Treasury Department—1180032.....	250,000.00	244,435.00	231,068.92	231,068.92	5,965.00	
Department of Agriculture—111/70031.....	1,520,435.09	1,520,280.60	1,520,280.60	1,520,280.60	134.49	
Public Housing Administration—111/70031.....	43,700.00	43,700.00	43,700.00	43,700.00		
Treasury Department (BFS)—1160033.....	12,030,000.00	8,695,095.44	491,184.48	491,184.48	3,434,904.56	8,103,910.96
Maritime Commission—1160033.....	10,000,000.00	10,000,000.00	2,022,533.31	2,022,533.31	284,329.40	7,477,164.69
Department of the Army—1160033.....	682,087.86	427,757.96	118,058.61	118,058.61	312,699.35	8,112,699.35
Department of the Navy—1160033.....	400,000.00	160,000.00	54,252.19	54,252.19	250,000.00	96,707.31
Total.....	400,000.00	160,000.00	54,252.19	54,252.19		

1 Credit.



STATEMENT III.—Analysis of allocations, obligations and expenditures by category and agency under the Lend-Lease Act, cumulative through June 30, 1949—Continued

Category and agency	Allocations	Obligations	Expenditures	Unexpended balances transferred to surplus	
				Unobligated allocations	Unliquidated obligations
LEND-LEASE APPROPRIATIONS—Continued					
Liquidation program—Continued					
Public Housing Administration—1160033	\$175,000.00	\$154,328.71	\$153,247.25	\$20,671.29	\$1,081.46
Treasury Department (LLFO)—1160033	20,000.00	20,000.00	13,661.04		6,338.96
Total.....	28,832,222.45	24,740,914.42	8,730,627.04	4,091,308.03	16,010,287.38
Total appropriated funds.....	25,138,814,703.31	25,132,235,249.50	25,036,813,812.48	6,579,453.81	95,421,437.02
RECAPITULATION BY DEPARTMENT					
Department of Agriculture.....	6,592,612,348.02	6,590,140,183.01	6,590,115,751.77	2,472,165.01	24,431.24
Department of Commerce (Census).....	425,987.59	425,987.59	425,987.59		
Department of Commerce (RFC).....	2,036,928.54	2,036,928.54	2,036,928.54		
Bureau of the Budget.....	16,945.33	16,945.33	16,945.33		
White House.....	29,187.44	29,187.44	29,187.44		
Office of Scientific Research and Development.....	5,893,397.14	5,893,397.14	5,893,397.14		
Reconstruction Finance Corporation (USCC).....	21,425,482.65	21,425,482.65	21,425,482.65		
Office of Defense Transportation.....	775,555.17	775,555.17	775,555.17		
Central Administrative Services.....	4,944,571.05	4,944,571.05	4,944,571.05		
Export-Import Bank of Washington.....	7,000,000.00	7,000,000.00	7,000,000.00	7,965.72	
Treasury Department (FEA functions).....	256,053.59	248,987.87	248,987.87		
Treasury Department (LLFO).....	48,320,658.84	48,320,658.84	47,836,217.22	163,685.09	484,441.62
Public Housing Administration.....	43,575,948.80	43,412,163.71	42,837,373.91	6,528.83	574,789.80
Federal Security Agency.....	226,000.00	219,471.17	201,735.39		17,735.78
General Accounting Office.....	341,300.00	341,300.00	340,333.14	81.26	966.96
Federal Works Agency.....	2,543,941.98	2,543,860.72	2,543,855.42		5.30
Department of Interior.....	9,882.33	9,882.33	9,882.33		
Department of Labor.....	1,500.00	1,500.00	1,500.00		
Maritime Commission.....	765,943,152.73	765,942,216.88	753,074,152.20	935.85	12,868,064.68
Department of the Navy.....	3,809,632,496.19	3,809,715,536.70	3,801,256,159.16	1,183,037.51	8,459,377.54
Department of State.....	4,913,239,061.43	4,909,413,042.36	4,901,413,042.36		
Treasury Department.....	293,006,106.37	293,006,106.37	293,006,106.37	3,613,528.16	8,332,326.15
Treasury Department, Office of the Secretary.....	5,137,779,055.48	5,136,281,454.08	5,135,370,421.95	1,497,601.40	911,032.13
Department of the Army.....	5,137,779,055.48	5,136,281,454.08	5,135,370,421.95	1,497,601.40	911,032.13
War Shipping Administration.....	3,489,476,497.28	3,489,476,497.28	3,425,728,231.36		63,748,265.92
Total appropriated funds.....	25,138,814,703.31	25,132,235,249.50	25,036,813,812.48	6,579,453.81	95,421,437.02

<sup>1</sup> Credit.

STATEMENT IV

In addition to funds made available for defense aid by direct appropriation or through limitations established in agency appropriations, certain foreign governments advanced cash to the United States for purchase of materials and supplies which were not eligible for transfer as straight lend-lease.

These funds were allocated to the procuring agencies for purchase and delivery of the goods requisitioned.

These statements show the status of the funds as of June 30, 1949.

STATEMENT IV.—*Analysis of allocations, obligations, and expenditures relating to special funds deposited by foreign governments, cumulative through June 30, 1949*

Agency	Allocations	Obligations	Expenditures	Unobligated allocations	Unliquidated obligations
<b>SPECIAL FUNDS DEPOSITED BY FOREIGN GOVERNMENTS</b>					
Department of Agriculture.....	\$34,351,993.02	\$34,351,993.02	\$34,351,993.02	-----	-----
Maritime Commission (WSA functions).....	12,740,002.77	12,740,002.77	12,731,174.05	-----	\$8,828.72
Department of the Navy.....	14,739,139.95	14,214,769.82	14,214,769.82	\$524,370.13	-----
Office of Scientific Research and Development.....	71,695.85	71,695.85	71,695.85	-----	-----
Public Housing Administration.....	59,040.51	59,040.51	59,040.51	-----	-----
Reconstruction Finance Corporation (USCC).....	6,676,859.49	6,676,859.49	6,676,859.49	-----	-----
Treasury Department.....	128,291,551.48	127,996,613.68	127,651,830.18	294,937.80	344,783.50
Department of the Army.....	25,697,569.99	25,697,569.99	25,697,569.99	-----	-----
Total.....	222,627,853.06	221,808,545.13	221,454,932.91	819,307.93	353,612.22

STATEMENT V

*Source of funds used*

As indicated in the preceding statements appropriations were made to the President for the procurement of defense articles and services, and appropriations to the Departments of the Army and Navy and the Maritime Commission contain the authority to finance transfers made under the terms of the Lend-Lease Act. Further, funds were also received in advance from foreign governments for the procurement of defense articles and services not eligible for transfer as straight lend-lease. The Munitions Assignment Board, established in January 1942, assigned military equipment on the basis of production and the needs of the foreign government concerned regardless of the funds used in procuring the articles. This resulted in the pooling of all finished munitions and the Departments of the Army and Navy could no longer determine whether a particular defense article transferred to a foreign government was procured from funds appropriated to the President for lend-lease purposes or from their own appropriations.<sup>1</sup>

The report of lend-lease obligations, expenditures, and balances made to the Treasury Department by other Federal agencies cover only funds appropriated to the President and foreign government funds. In addition, the agencies provide reports which show the total aid

<sup>1</sup> For a more complete discussion see pp. 57, 61, and 62 of the March 11, 1944, Report of the Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad.

provided regardless of funds. The amounts shown as the source of funds used are computed from these reports. While it is not possible to relate individual articles or services rendered with the appropriations from which financed, it is evident that on an over-all basis by deducting the expenditures and accounts payable reported as applicable to lend-lease funds and foreign government's funds from the total defense aid reported, the difference (other than the exceptions noted in the next paragraph) had to be financed from appropriations made directly to these agencies.

Defense articles returned by foreign governments and those transferred from other Federal agencies to the Departments of the Army and Navy are commingled in the common inventory of the respective Departments and the identity of these articles as to source is lost. It may be that some of these articles have subsequently been transferred to a foreign government. This analysis of the method of financing total defense aid provided does not reflect any such transfers.

Further, this statement shows in summary an analysis of the funds used according to the types of "defense aid provided." All expenditures out of lend-lease appropriations were to be completed by June 30, 1948, with certain minor exceptions authorized in the First Deficiency Appropriation Act of 1948 (Public Law 519, 80th Cong.), the Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong.), and the Third Deficiency Appropriation Act, 1949 (Public Law 343, 81st Cong.). All deliveries under the Lend-Lease Act were required to be completed by June 30, 1948, except for special items permitted for the Liberian port project until June 30, 1950, under the First Deficiency Appropriation Act, 1948.

**STATEMENT V. Summary statement of defense aid provided, cumulative through June 30, 1949**

SOURCE OF FUNDS	
<b>From appropriations to—</b>	
Lend-Lease Administration appropriation (see statement III).....	\$25,132,235,249.60
Less obligations in excess of reports of defense aid provided.....	28,943,341.63
	\$25,103,291,907.97
Department of the Army appropriations (see statement IE).....	19,525,982,663.21
Department of the Navy appropriations (see statement IE).....	4,755,995,756.81
Maritime (WSA) appropriations (see statement IE).....	620,647,410.38
From foreign government funds (see state- ment IV).....	\$221,808,545.13
Less obligations in excess of reports of defense aid provided.....	
	1,221,808,545.13
From reissues of returned lend-lease articles.....	1,042,394.71
<b>Total.....</b>	<b>\$50,228,768,678.21</b>
<b>DEFENSE AID PROVIDED</b>	
<b>Charged to foreign governments (see statement VI):</b>	
Materials.....	\$44,723,242,010.04
Services and other expenses.....	3,516,744,335.85
Aid furnished through commanding generals.....	680,351,178.98
	48,920,337,522.87
<b>Not charged to foreign governments (see statement VI):</b>	
Construction in United States to facilitate lend-lease.....	720,803,118.11
Administrative expenses.....	40,113,026.92
Losses on inventories and facilities.....	31,172,831.39
Miscellaneous charges.....	516,342,178.92
	1,308,431,155.34
<b>Total aid provided (see statement VI).....</b>	<b>50,228,768,678.21</b>

<sup>1</sup> In addition, the foreign governments have paid approximately \$950,000,000 to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the general fund of the Treasury.

STATEMENT VI

This statement summarizes by appropriation title (category) and country total defense aid provided from funds appropriated by the Congress to the President for lend-lease purposes, authorizations by the Congress to the War and Navy Departments and the Maritime Commission to use their own appropriations for lend-lease aid, and funds deposited by foreign governments for the procurement of articles and services on a cash reimbursement basis.

The statement is prepared in two divisions, (1) lend-lease aid charged to foreign governments and (2) lend-lease aid not distributed by foreign governments. The column headings (appropriation title) are in accordance with the subdivisions of the Lend-Lease Appropriation Act.

The other classifications are self-explanatory except possibly the miscellaneous items under defense aid not distributed to foreign governments. This item consists mainly of transfers to Federal agencies and undistributed charges.

The statistical data necessary for the preparation of this statement are taken from the quarterly reports submitted by the agencies participating in the defense aid program.

## STATEMENT VI.—Statement of defense aid provided by country and

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles
<b>CHARGED TO FOREIGN GOVERNMENTS</b>				
<b>American Republics:</b>				
Bolivia.....	\$5,523,017.51	\$144,489.07	\$4,325,249.94	\$78,376.66
Brazil.....	361,393,036.96	42,234,013.21	89,393,884.99	55,011,193.77
Chile.....	23,244,099.68	7,750,652.51	8,930,245.17	2,901,712.16
Colombia.....	8,290,446.18	594,045.08	4,041,170.72	818,366.63
Costa Rica.....	156,330.15	34,422.34	---	51,540.84
Cuba.....	6,551,280.35	377,428.22	1,998,579.67	522,722.89
Dominican Republic.....	1,617,367.10	138,958.46	400,742.53	150,951.63
Ecuador.....	7,794,772.09	416,815.02	1,936,857.27	2,263,822.68
Guatemala.....	2,653,882.65	647,391.65	1,424,680.22	372,894.72
Haiti.....	1,423,147.25	70,991.16	350,123.47	146,346.97
Honduras.....	368,364.24	46,784.72	257,371.39	24,626.26
Mexico.....	39,276,246.29	7,989,616.76	16,070,845.52	3,033,711.17
Nicaragua.....	887,199.28	90,622.49	469,528.91	133,038.89
Panama.....	667.33	---	---	---
Paraguay.....	1,954,442.85	130,758.36	947,455.84	209,892.67
Peru.....	18,916,471.85	2,617,089.50	6,822,095.06	1,655,624.98
Salvador.....	878,275.90	146,114.69	423,369.02	259,495.04
Uruguay.....	7,132,260.54	1,180,680.24	1,717,705.60	1,940,606.15
Venezuela.....	4,528,492.62	668,855.74	1,564,210.67	777,341.82
<b>Total American Republics.....</b>	<b>492,589,800.82</b>	<b>65,279,729.22</b>	<b>141,074,115.99</b>	<b>70,352,265.93</b>
<b>Other governments:</b>				
Belgium.....	156,254,519.40	564,683.22	765,815.99	15,203,306.49
British Empire.....	31,610,813,206.15	3,066,973,487.93	6,422,011,811.45	3,803,943,205.45
China.....	1,626,789,143.20	271,202,266.88	231,023,454.57	190,187,537.80
Czechoslovakia.....	435,446.23	---	---	26.02
Egypt.....	2,322,611.92	5,447.50	---	1,490,977.78
Ethiopia.....	5,151,480.09	354,204.68	121,299.73	265,180.60
Denmark <sup>1</sup> .....	4,002,032.29	---	---	2.42
France and possessions.....	3,269,936,471.02	285,016,673.18	342,729,816.64	428,632,124.56
Greece.....	81,424,112.31	4,427,926.25	---	435,721.33
Iceland.....	4,366,404.50	---	184,111.95	296,968.89
Iran.....	5,303,624.18	42,786.42	---	2,362,117.89
Iraq.....	891,469.57	---	---	---
Italy <sup>2</sup> .....	186,726,284.81	---	---	1,811,662.37
Liberia.....	15,327,857.52	153,711.90	---	7,557.46
Netherlands and possessions.....	246,369,309.96	15,959,402.97	78,740,981.27	15,863,389.94
Norway.....	47,023,452.37	1,457,689.99	4,149,626.99	200,695.42
Poland.....	12,451,879.69	117,326.79	40,921.25	64,963.84
Union of Soviet Socialist Re- publics.....	11,054,449,197.21	782,768,434.44	1,539,180,909.89	1,767,352,632.60
Saudi Arabia.....	22,670,314.52	710,867.95	---	953,438.62
Turkey.....	42,850,057.19	24,127,581.43	1,041,870.02	12,834,081.58
Yugoslavia.....	32,188,847.92	1,690,534.41	1,103,184.45	3,174,170.74
<b>Total, other governments.....</b>	<b>48,427,747,722.05</b>	<b>4,455,572,975.94</b>	<b>8,621,092,904.20</b>	<b>6,245,069,706.96</b>
<b>Total charged to foreign governments.....</b>	<b>48,920,337,522.87</b>	<b>4,520,852,705.16</b>	<b>8,762,167,020.19</b>	<b>6,315,421,972.89</b>
<b>NOT DISTRIBUTED BY FOREIGN GOVERNMENTS</b>				
Losses on inventories and facili- ties.....	31,172,831.39	---	---	---
Production facilities.....	720,803,118.11	---	---	---
Miscellaneous.....	516,342,178.92	9,054,847.39	376,273.59	4,817,854.69
Administrative expenses.....	40,113,026.92	---	---	---
<b>Total not distributed by foreign governments.....</b>	<b>1,308,431,155.34</b>	<b>9,054,847.39</b>	<b>376,273.59</b>	<b>4,817,854.69</b>
<b>Grand total.....</b>	<b>50,228,768,678.21</b>	<b>4,529,907,552.55</b>	<b>8,762,543,293.78</b>	<b>6,320,239,827.58</b>

<sup>1</sup> Transfers were made pursuant to arrangements described in the twenty-first report to the Congress on lend-lease operations, pp. 8 and 9.<sup>2</sup> Credit.<sup>3</sup> Transfers were made pursuant to arrangements described in the twenty-third report to the Congress on lend-lease operations, pp. 24 to 26, inclusive.

by appropriation category cumulative through June 30, 1949

Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses	Administrative expenses
\$17.19	\$620,373.57	\$262,498.18	\$70,986.37		\$21,026.53	
82,522,923.13	38,870,242.32	7,730,942.13	29,953,981.12	\$3,604,873.28	12,070,983.01	
1,454,892.71	886,900.03	886,388.46	339,792.78		93,515.86	
637,490.30	666,712.74		38,478.56	994,515.91	499,666.24	
	68,117.00		571.55		1,678.42	
2,057,405.87	649,504.69	5,235.88	25,093.03	887,616.70	27,693.40	
531,269.91	382,541.09		7,064.40	969.36	4,869.72	
889,762.73	1,982,055.91		10,721.62	250,380.59	44,356.27	
	167,359.47				41,556.59	
174,999.05	664,669.86	3,281.50	10,724.54		2,010.70	
	35,328.29			2,325.37	1,928.21	
3,289,929.60	2,612,843.51	555,039.36	1,459,614.28	2,692,605.03	1,572,041.06	
13,846.75	45,699.07			122,939.84	11,523.33	
		500.32			167.01	
484,622.15	158,481.32				23,232.51	
4,140,962.54	1,712,886.90	1,326,486.91	460,599.70	82,141.57	98,584.69	
	19,928.18	18,969.62	1,851.90		8,547.45	
1,549,861.06	689,066.77	10,456.55	6,945.36	15,894.20	20,444.61	
789,864.24	517,293.04		861.15	183,114.47	26,951.49	
98,537,847.23	50,750,603.76	10,799,798.91	32,387,286.36	8,837,376.32	14,570,777.10	
16,607,339.95	17,871,356.42	18,315.36	104,810,074.00	43.82	413,584.15	
5,494,128,139.39	2,164,293,371.34	367,837,212.45	9,440,506,697.91	425,404,741.03	425,714,539.20	
85,501,906.69	146,847,727.65	9,965,002.07	84,424,911.47	206,732.51	607,429,603.56	
	50,824.61		367,389.70		17,205.90	
	24,086.56		619,687.01		192,413.07	
	69,303.94		4,336,316.45		5,174.69	
			4,000,648.71		1,386.00	
294,704,237.67	651,920,447.84	2,348,159.75	1,106,518,741.82	61,061,053.76	97,005,215.80	
37,558,338.88	38,557.43		38,556,775.86	143,242.17	263,550.39	
19,723.66	248,416.55	26,775.28	3,524,418.53	57,555.89	8,433.75	
	2,357,686.01	13,197.07	408,335.57		119,501.22	
			887,264.43		4,205.14	
51,200,389.05	187,545.09		132,859,322.66		667,365.64	
	83,182.90		2,476.45		15,080,928.81	
15,312,264.49	11,484,433.44		101,386,261.73	5,171,050.40	2,461,525.72	
10,849,138.00	2,021,158.82		5,160,993.68	23,058,491.89	125,657.58	
1,098,430.58	1,666,831.39		8,854,795.62	418,952.42	189,657.80	
1,268,452,729.24	794,586,065.26	542,788,473.61	4,165,626,708.28	115,069,268.28	78,624,875.61	
	690,109.64		20,314,206.41		1,691.90	
	771,521.12	30,171.03	3,732,203.29		308,477.62	
4,251.10	5,998,044.58		14,540,109.05		358,355.44	
5,324,449.25						
7,280,761,337.95	3,801,210,670.59	923,027,306.62	15,241,438,338.63	630,591,132.17	1,228,983,348.99	
7,379,299,185.18	3,851,961,274.35	983,827,105.53	15,273,825,624.99	639,428,508.49	1,243,554,126.09	
			31,172,831.39			
		713,694,460.09			7,108,658.02	
140,444,780.09	7,928,813.77	1,071,437.25	262,737,308.69	28,196,505.47	61,714,357.98	
					\$40,113,020.92	
140,444,780.09	7,928,813.77	714,765,897.34	293,910,140.08	28,196,505.47	68,823,016.00	40,113,026.92
7,519,743,965.27	3,859,890,088.12	1,648,593,002.87	15,567,735,765.07	667,625,013.96	1,312,377,142.09	40,113,026.92

STATEMENT VI-A

This statement shows defense aid rendered subsequent to VJ-day under the same classifications as shown in statement VI.

STATEMENT VI-A.—Statement of defense aid provided by country and by appropriation category, period September 2, 1945 through June 30, 1949

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equip- ment	Agricultural, industrial, and commodities	Testing recondi- tioning, etc., of defense articles	Services and expenses
CHARGED TO FOREIGN GOVERNMENTS:										
American Republics:										
Bolivia.....	\$441,753.15		\$441,584.15							\$169.00
Brazil.....	6,742,056.99	\$947,346.02	555,548.74	\$81,376.59	\$3,515,467.07	\$134,789.16	\$7,794.29	\$1,272,325.59		227,490.23
Chile.....	410,411.29	90,750.00	29,804.74	181,831.29	70,620.75	18,699.92	5,290.80	13,463.29		191.50
Colombia.....	12,578.19			7,889.20						127.00
Cuba.....	19,465.59	204.34			2,813.90			10,100.00		25.00
Dominican Republic.....	27,258.76		10,224.16		10,445.61	14.45				
Ecuador.....	561,747.03	13,446.51		510,553.41		6,589.00		34.39		655.00
Guatemala.....	915,260.65	11,896.15	883,397.46		3,763.24	33,294.48				675.00
Haiti.....	5,448.88		3,036.08			19,292.05				
Mexico.....	598,385.45	1,492.19	73,237.13	541.46	55,377.80	12,432.14		436,469.22		18,835.51
Nicaragua.....	144.00									144.00
Paraguay.....	2,370.00									
Peru.....	238,513.69	4,905.91	36,238.69	30,769.20	127,350.45	2,618.87	18,482.39	15,740.15		2,370.00
Salvador.....	30.00									2,468.13
Uruguay.....	11,051.06		3,394.90			5,896.16		1,661.00		30.00
Venezuela.....	11,569.76				2,806.45	8,624.31				109.00
Total, American Republics.....	9,998,054.49	1,070,041.12	2,042,773.93	812,651.15	3,793,207.16	244,663.34	31,576.48	1,749,763.94		253,347.37
Other governments:										
Belgium.....	80,929,883.12			2,806,685.03	12,917,692.12	8,184,216.33		57,015,149.66		6,129.98
British Empire.....	437,017,637.51	748,515.36	3,760,840.42	4,868,669.04	76,747,515.48	18,985,496.34	11,723.74	326,926,756.34	\$189,771.80	4,778,298.99
China.....	781,040,922.32	117,869,076.94	43,683,904.63	96,009,610.08	49,940,642.57	99,762,611.71	36,196.74	37,918,928.21	2,338.88	910.96
Czechoslovakia.....	1,639.16							1,043.69		896.47
Denmark.....	6,818,540.14			Cr. 2.42				6,818,542.56		
Egypt.....	63,147.72					2,900.70		12.88		60,234.14
France and possessions.....	421,631,723.39	938,102.47	3,700,377.15	13,601,766.38	61,079,748.99	28,714,820.77	1,290.42	313,335,671.23		260,045.98
Greece.....	5,967,917.85				5,879,170.00	127.60		80,941.66		7,678.69
Iceland.....	27.76							27,621.76		
Iran.....	211.00									211.00
Italy.....	126,006,310.46			1,239,884.05	40,200,389.05	82,050.69		84,480,639.67		3,847.00
Liberia.....	11,743,822.36									
Netherlands and possessions.....	76,189,773.39	4,730,943.45	349,628.91	7,127,354.53	13,193,590.68	3,450,490.16		46,940,245.55	49,875.00	11,743,822.36
Norway.....	6,444,360.23	261.14	231,968.56	70,481.76		28,091.64		5,876,831.17	231,210.00	6,135.96
Poland.....	333,245.35			18.13				321,164.72		12,062.50



Union of Soviet Socialist Republics.....	279,179,007.67	250,612.25	15,781.62	2,811,280.28	21,127,896.01	8,946,489.61	7,498,239.79	238,509,521.28	19,206.83
Saudi Arabia.....	4,497,734.85							4,497,652.05	82.80
Turkey.....	72,525.94			18.52			9,442.96	48,551.39	16,513.07
Yugoslavia.....	72,609.60							73,108.40	2,501.20
Total, other governments.....	2,238,012,803.82	124,537,511.61	51,741,501.26	128,464,773.62	281,157,066.66	168,157,265.55	7,556,895.65	473,195.68	353,082,351.54
Total charged to foreign governments.....	2,248,010,858.31	125,607,552.73	53,784,275.22	129,277,424.77	284,950,303.32	168,401,958.89	7,588,472.13	473,195.68	353,335,698.91
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS									
Losses on inventories and facilities.....	21,852,598.50							21,852,598.50	
Miscellaneous charges.....	94,375,910.39	315.50		299,637.92	69,001,923.11	1,347,883.21		23,615,787.37	110,308.28
Total not distributed by foreign governments.....	116,228,508.89	315.50		299,637.92	69,001,923.11	1,347,883.21		45,468,385.87	110,308.28
Grand total.....	2,364,239,367.20	125,607,868.23	53,784,275.22	129,577,112.69	353,952,231.93	169,749,842.10	7,588,472.13	473,195.68	353,446,007.19

1 Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pp. 8 and 9.  
 2 Transfers were made pursuant to arrangements described in the Twenty-third Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.

## STATEMENT VII

As a result of agreements made with the various countries under the Defense Aid Act, the Treasury Department has received cash from certain countries as payment in part for defense aid provided. The purposes for which these cash payments were made are as follows:

1. Foreign governments deposited cash in advance for the procurement of articles and services under the cash reimbursement procedure. Under this procedure all articles and services were to be fully paid for before transfer was effected to the foreign government. This system was utilized where the articles and services requisitioned by the foreign government were not eligible for transfer as straight lend-lease.

2. Articles and services have been transferred to foreign governments under agreements whereby the governments concerned pay cash or part cash after delivery has taken place. An example of this was the *modus vivendi* agreement with French North and West Africa whereby on the basis of onboard shipping documents, the French agreed to pay 100 percent cash for articles and services received.

3. Payments were made under reciprocal aid agreements with foreign governments as follows:

(a) Several United States Government agencies purchased materials directly from private suppliers in foreign countries. Upon application the government of that particular country then reimbursed the United States Government for the cost of such materials.

(b) Foreign governments furnished critical materials from sources outside of the continental United States. The articles were then sold by the United States Government to various industries and the proceeds were turned over to the Treasury Department for deposit to the general fund.

4. Other funds were received by this office for the sale of salvaged goods, insurance premiums, etc., which payments were credited to the lend-lease account of the foreign government involved.

5. Further settlement agreements have been and are now being made with the various countries whereby they are to pay the United States Government certain fixed sums over a period of years together with interest. Cash payments have been received under these agreements.

This statement shows in summary form cash received from foreign governments and disposition thereof together with the amount of accounts receivable from foreign governments.

STATEMENT VII.—Statement of cash received and disposition thereof and accounts receivable as of June 30, 1949

	Mar. 11, 1941, through June 30, 1948	Mar. 11, 1941, through June 30, 1949	Net change July 1, 1948, through June 30, 1949
<b>I. CASH</b>			
Received: <sup>1</sup>			
Advances for articles requisitioned.....	\$352,765,743.55	\$353,122,826.96	+4,357,083.41
Payment for articles lend-leased.....	932,953,930.57	943,607,805.55	+10,653,874.98
Reciprocal aid transactions.....	71,065,123.45	71,065,123.45	-----
Sale of reciprocal aid commodities.....	232,031,852.29	232,031,852.29	-----
Payment for salvaged goods.....	1,296,914.64	1,296,914.64	-----
Proceeds of the sale of foreign currency.....	48,303,979.95	56,830,091.60	+8,526,111.65
Interest on lend-lease agreements.....	10,940,020.32	22,157,271.88	+11,217,251.56
Interest on surplus sales.....	4,125,000.00	4,125,000.00	-----
Other miscellaneous collections.....	46,796,873.66	47,522,133.59	+725,259.93
Total realized revenues and funds.....	1,700,279,438.43	1,731,759,019.96	+31,479,581.53
Disposition: <sup>1</sup>			
Allocated to procuring agencies.....	235,390,007.82	222,627,853.06	-12,762,154.76
Refunded to foreign governments.....	149,171,222.85	157,924,564.69	+8,753,341.84
Deposited and covered into special fund receipts of the Treasury.....	25,399,452.11	13,973,206.51	-11,426,245.60
Deposited and covered into miscellaneous receipts, general fund of the Treasury.....	1,183,466,417.34	1,241,272,346.37	+57,805,929.03
Reappropriations to the defense-aid master appropriations and reimbursements to other appropriations.....	89,877,332.85	89,877,332.85	-----
Held for disposition.....	16,975,005.46	<sup>2</sup> 6,083,716.48	-10,891,288.98
Total disposition.....	1,700,279,438.43	1,731,759,019.96	+31,479,581.53
<b>II. OTHER ACCOUNTS</b>			
Accounts receivable:			
Lend-lease, principal.....	1,662,399,146.99	1,653,506,455.98	-8,892,691.01
Surplus, principal.....	-----	71,372,935.16	+71,372,935.16
Surplus, interest.....	-----	3,255.30	+3,255.30
Lend-lease, interest.....	1,190,960.63	3,029,597.37	+1,838,636.74
Lend-lease, unbilled on hand.....	22,460,218.02	2,027,840.90	-20,432,377.12
Lend-lease, unbilled not received.....	18,864,766.01	6,864,537.36	-12,000,228.65
Unsold foreign currency (expressed in terms of United States dollars).....	6,248,968.87	17,124,196.91	+10,875,228.04
Unsold fixed property.....	1,342,352.79	-----	-1,342,352.79
Accounts payable.....	18,762,825.48	9,429,549.85	-9,333,275.63
Total.....	1,731,269,238.79	1,763,358,368.83	+32,089,130.04

<sup>1</sup> For details by country, see statement VIII.

<sup>2</sup> Represents funds collected from foreign governments to cover amounts necessary to complete payments for articles on requisitions requiring cash in advance.

Represents:

Appropriated funds with Treasury.....	\$306,275.84
Disbursing officer's cash, special deposits.....	5,777,440.64
Total.....	6,083,716.48

STATEMENT VIII

This statement shows in detail by foreign government funds received, the purpose for which received and disposition thereof and the balances. The balances differ from the accounts payable shown in statement IX in that it does not include unexpended funds allocated to various procuring agencies and the amount of \$5,250,000 deposited with the Department of the Army by the Government of China. The difference between accounts payable and the net amount held for disposition for the sale of foreign currency account represents funds to be transferred to the Department of State to be applied against surplus property accounts.

STATEMENT VIII.—Statement of receipts, disposition, and status of funds received  
11, 1941, cumulative

Accounts credited	Total funds deposited	Purpose for which funds were received			
		Advanced for articles requisitioned	Payment for articles lend-leased	Sale of reciprocal aid commodities	Miscellaneous items
Australia.....	\$27,044,463.09	\$5,553,067.52	\$20,201,176.07	\$1,255,996.96	\$34,222.54
Belgium.....	21,745,344.07	13,657,902.73	7,374,081.71	13,340.95	700,018.68
Belgian Congo.....	7,168,481.28	6,862,974.74	296,486.80	9,019.74	-----
Bolivia.....	2,617.41	2,617.41	-----	-----	-----
Brazil.....	53,717,366.10	8,713,786.24	45,000,000.00	-----	3,579.86
Canada.....	423,257,218.46	12,477,704.01	410,769,937.75	-----	9,576.70
Chile.....	7,170,608.15	1,119,099.05	6,051,000.00	-----	509.10
China.....	10,812,109.14	4,811,252.57	2,038.63	-----	5,998,817.94
Colombia.....	2,400,827.29	-----	2,400,000.00	-----	827.29
Costa Rica.....	98.78	98.78	-----	-----	-----
Cuba.....	2,760,500.39	350,116.12	2,408,631.15	-----	1,753.12
Dominican Republic.....	679,247.71	144,556.52	534,691.19	-----	-----
Ecuador.....	227,356.56	2,857.30	213,072.56	-----	11,426.70
Egypt.....	63,229.00	-----	63,229.00	-----	-----
El Salvador.....	372,030.00	72,000.00	300,000.00	-----	30.00
Ethiopia.....	55,558.75	-----	55,558.75	-----	-----
France.....	326,890,794.64	60,579,795.54	256,063,161.64	104,694.87	10,143,152.59
Guatemala.....	3,561.95	3,561.95	-----	-----	-----
Greece.....	105,194.94	105,019.94	-----	-----	175.00
Haiti.....	120,186.49	47,042.57	73,070.92	-----	85.00
Honduras.....	33,989.45	989.45	33,000.00	-----	-----
Iceland.....	4,548,596.46	4,344,957.04	203,639.42	-----	-----
India.....	64,225,299.38	1,824,232.42	3,097,489.09	59,303,097.60	490.27
Iran.....	2,660,575.26	34,984.00	2,245,418.96	-----	380,172.30
Iraq.....	3,034,153.76	-----	3,034,099.76	-----	54.00
Liberia.....	255.10	-----	255.10	-----	-----
Luxemburg.....	120.00	120.00	-----	-----	-----
Mexico.....	72,960.28	71,916.40	-----	-----	1,043.88
Netherlands.....	59,231,933.99	55,359,894.08	1,588,249.75	-----	2,283,790.16
New Zealand.....	3,017,636.70	714,559.85	10,893.95	2,292,182.90	-----
Nicaragua.....	101,976.63	1,811.43	100,021.20	-----	144.00
Norway.....	11,587,143.90	11,427,562.23	-----	-----	159,681.67
Office of War Information.....	17,000.00	-----	-----	-----	17,000.00
Paraguay.....	33,000.00	-----	33,000.00	-----	-----
Peru.....	4,688,454.65	656,890.45	4,031,564.20	-----	-----
Saudi Arabia.....	435,748.63	1,750.00	433,998.63	-----	-----
South Africa.....	120,508,109.57	16,462,810.20	104,044,809.24	-----	490.13
Southern Rhodesia (British Empire).....	4,249,220.87	997,206.71	374,724.98	2,877,289.18	-----
Turkey.....	7,808,731.22	3,299,399.45	4,509,228.97	-----	102.80
United Kingdom and Colonies.....	328,966,982.51	22,375,458.17	56,650,303.13	237,241,353.54	12,699,869.67
Union of Soviet Socialist Republics.....	17,335,850.66	999,197.55	1,641,173.23	-----	14,695,479.88
Uruguay.....	8,000,478.00	190,356.36	7,799,128.46	-----	10,993.18
Venezuela.....	1,796,877.64	40,634.25	1,756,243.39	-----	-----
Yugoslavia.....	63,376.50	-----	63,376.50	-----	-----
Miscellaneous.....	28,085,712.98	689.98	137,261.42	-----	27,947,761.58
Sale of foreign currency.....	56,830,091.60	-----	-----	-----	56,830,091.60
Denmark.....	* 4,827,755.95	4,813,955.95	13,800.00	-----	-----
Italy.....	* 115,000,182.07	115,000,000.00	-----	-----	182.07
Grand total.....	1,731,759,019.96	353,122,826.96	943,607,805.55	303,096,975.74	131,931,411.71

\* These amounts include \$440,162.30 received in error and subsequently transferred to the proper appropriations.

\* By special agreements. These countries not eligible for straight lend-lease.

\* Credit.

\* Includes \$1,578,332.85 reimbursed to other agencies, and the remainder totaling \$88,299,000 was reappropriated to the President by Public Law 322, 78th Cong., approved May 31, 1944.

from foreign governments and other sources in accordance with the act of March through June 30, 1949

Disposition of funds				Total held for disposition	To be transferred to general fund	Net held for disposition
Allocated to procurement agencies	Refunds to foreign governments	General funds of the Treasury	Reimbursements and re-appropriations			
\$5,416,211.15	\$7,626.03	\$21,538,842.72	\$75,559.54	\$6,223.65		\$6,223.65
10,276,650.98	2,054,131.58	9,414,551.51				
5,263,773.82	46,006.66	1,858,700.80				
1,815.37		802.04				
6,548,894.41	6,770.49	46,010,912.64	617,656.24	533,132.32		533,132.32
6,973,666.35	34,625,116.13	381,658,225.28	210.70			
185,269.62	7,472.78	6,975,883.83		1,981.92		1,981.92
4,617,365.47		6,028,012.09		166,731.58		166,731.58
		2,400,827.29				
		98.78				
314,075.95	1,710.00	2,444,714.44				
31,211.53	115.88	552,355.88	95,564.42			
630.00	1,482.30	213,817.56	11,428.70			
	126,109.12	37,119.88				
	72,000.00	300,030.00				
		55,558.75				
43,998,337.59	32,882,064.64	185,450,322.64	64,560,069.77			
2,472.05	700.67	389.23				
89,354.65		13,898.67	175.00	1,766.62		1,766.62
5,278.54		114,919.95				
		33,989.45				
4,245,517.74	47,001.92	251,035.55		5,041.25		5,041.25
1,344,954.94	353,293.47	62,527,050.97				
	1,582.54	2,658,992.72				
		3,034,153.76				
		255.10				
		120.00				
15,473.03		57,487.25				
22,107,237.77	30,307,479.75	6,283,046.09	534,170.38			
591,127.50	120,159.65	2,292,717.50	10,893.95	2,738.10		2,738.10
1,646.75		100,329.88				
5,340,554.51	1,618,481.13	4,537,880.17		90,228.09		90,228.09
			17,000.00			
		33,000.00				
283,890.30	147,551.75	4,253,248.71		3,763.89		3,763.89
	13,313.02	432,435.61				
12,065,234.36	11,491,261.30	96,951,123.78	490.13			
732,331.24		3,516,889.63				
1,561,644.72	21,312.00	6,225,774.50				
11,007,028.68	4,934,571.99	304,650,995.45	8,374,386.39			
		9,430,439.14	7,180,411.52	725,000.00		725,000.00
1,910.15	2,049,467.95	2,703,406.63		3,245,693.27		3,245,693.27
6,742.75	4,093.07	1,786,041.82				
			63,376.50			
5,000,000.00	1,851.24	32,615,073.96	299,766.28	170,021.50	\$170,021.50	
	1,915,850.75	45,777,283.60	8,036,175.33	1,100,781.92		1,100,781.92
4,045,007.53	729,984.77	22,151.28		30,612.37		30,612.37
80,552,533.61	34,447,002.11	646.35				
222,627,853.06	157,924,564.69	1,255,245,552.88	89,877,332.85	6,083,716.48	170,021.50	5,913,694.98

NOTE.—This statement does not include collections made under the Lend-Lease Act by the following agencies and retained by them:

Agency	Total	Purpose for which collected			
		Sale of lend-lease articles	Sale of lend-lease facilities	Rents from lend-lease facilities	Reciprocal aid
Department of Agriculture.....	\$7,583,362.92		\$1,650,000	\$5,933,362.92	
Department of the Army.....	14,934,678.00	\$107,777.00	8,893,500		\$5,933,401
Maritime Commission (WSA functions).....	451,000.00	451,000.00			
Department of the Navy.....	1,774,614.00	1,406,287.00			368,327
Treasury Department, Bureau of Federal Supply.....	21,203,450.68	21,203,450.68			
Total.....	45,947,105.60	23,168,514.68	10,543,500	5,933,362.92	6,301,728

## STATEMENT IX

These statements show the amounts due the United States from foreign governments as of June 30, 1949, under the cash reimbursable program and long-term settlement agreements involving lend-lease articles and services; classified as to past due, due this year and to be repaid over a period of years. The statement also shows accounts payable which represent deposits by the foreign governments in excess of billings rendered to date under the cash-in-advance program.

STATEMENT IX.—*Accounts receivable and payable under active agreements with foreign governments involving lend-lease articles or services and surplus property as of June 30, 1949*

Country	Total (1+2+3)	Accounts receivable			Accounts payable <sup>1</sup>
		Past due <sup>1</sup>	Due this year	To be repaid over a period of years <sup>2</sup>	
		(1)	(2)	(3)	
Australia.....	\$8,895,444.80	\$23,725.55		\$8,871,719.25	\$6,223.65
China.....	67,154,729.00	9,165,923.63	\$11,047,482.82	46,941,322.55	4,777,340.58
Czechoslovakia.....	7,500,110.25			7,500,110.25	
Denmark <sup>4</sup> .....	4,969.32		4,969.32		30,612.37
Ethiopia.....	4,057,777.78			4,057,777.78	
France.....	353,300,000.00			353,300,000.00	
Greece.....					1,766.62
Iceland.....					5,041.25
India.....	178,405,648.20	4,501,533.12		173,904,115.08	
Iran.....	823,145.29		823,145.29		
Korea.....	24,927,595.80			24,927,595.80	
Liberia.....	14,823,370.77	5,225.73	12,711.54	14,805,433.50	
Middle East.....	15,996.40			15,996.40	
Netherlands.....	88,346,553.70			88,346,553.70	
New Zealand.....	4,207,732.18			4,207,732.18	
Norway.....	5,974,004.75	74,004.75		5,900,000.00	90,228.09
Poland.....	250.00	250.00			
Saudi Arabia.....	15,158,129.77			15,158,129.77	
South Africa.....	1,296,567.74			1,296,567.74	
Turkey.....	23,409.00	23,409.00			
Union of Soviet Socialist Republics.....	232,063,626.46	7,074,614.51	3,072,309.44	221,916,702.51	725,000.00
United Kingdom.....	672,753,812.03		2,000.00	672,751,812.03	
United Kingdom colonies.....	1,329.60	1,329.60			
Yugoslavia.....	900,000.00			900,000.00	
American Republics.....	47,276,879.84	21,423,541.12	150,273.78	25,703,064.94	3,793,337.29
Federal agencies.....	1,161.13	1,161.13			
Total.....	1,727,912,243.81	42,294,718.14	15,112,892.19	1,670,504,633.48	9,429,549.85

<sup>1</sup> The majority of items listed as past due represent billings considered past due as of July 1, 1948, and also, items which are the subject of negotiations between the foreign governments and the Department of State.

<sup>2</sup> Includes silver accounts in the amount of \$291,215,172.64 to be repaid in kind.

<sup>3</sup> Represents cash received from foreign governments in excess of billings to date under cash agreements.

<sup>4</sup> Countries not eligible for lend-lease.

## STATEMENT X

In certain cases defense aid was provided to foreign governments on the basis of cash (in local currency) on delivery. The local currency was deposited in depositories designated by the Treasury Department. This statement shows the accumulated total of foreign currency received, disposed of by the Treasury, exchange profits or losses and charges in connection therewith, and balance on hand.

STATEMENT X.—Record of foreign currency received, sold, and on hand, cumulative through June 30, 1949

Country	Units	Foreign currency received		Foreign currency sold			Foreign currency unsold	
		Foreign currency value	Estimated dollar value 1	Foreign currency value	Gain (+) or loss (−) dollar value	Dollar received	Foreign currency value	Estimated dollar value 1
Belgium.....	Francs	52,465,835.40	\$1,198,583.49	52,447,412.40	−\$3,395.84	\$1,194,766.76		
Bolivia.....	Charges	18,423.00		18,423.00		420.89		
British East Africa.....	Bolivianos.....	18,900,000.00	450,000.00	5,800,885.00	−33,595.86	104,520.45	13,099,115.00	\$311,883.69
	East Africa shillings.....	2,488,899.42	502,460.21	2,312,731.27	−1,952.00	464,896.13	171,431.46	34,940.58
British South Africa.....	Charges	17,662-11-11	71,224.42	4,736.69		971.50		
	Pounds			17,669-6-3	−175.91	71,035.31		
British West Africa.....	Charges	18,350-19-2	74,423.34	3-5-8		13.20		
	Pounds			18,318-0-4		74,293.76		
	Charges			3-18-8		15.95		
	Repayments.....			20-0-2		117.63		
Burma.....	Burmese rupees.....	1,447,322-5-0	440,223.82	552,669-7-10	−385.06	167,727.33	894,652-13-2	272,111.43
Cyprus.....	5,452-17-1	22,021.73		5,452-17-1	−7.74	22,013.99		
Czechoslovakia.....	Czech crowns.....	8,648,072.50	172,961.45	8,042,265.60	+808.26	161,653.57	606,807.00	12,116.14
Egypt.....	Pounds	5,083,637.479	21,048,456.48	4,843,748.462	−3,424.82	20,040,145.63	234,923.712	975,280.93
	Taxes.....			365		1.51		
	Charges.....			212.444		881.79		
	Repayments.....			4,762.496		19,721.80		
France.....	Francs.....	4,826,678,548.43	15,723,647.21	794,431,858.27	+16.31	2,512,241.60	4,025,716,650.16	13,191,821.92
French Guiana.....	Fulbright program.....			6,630,040.00		19,800.00		
	Charges.....	4,862,073.00	104,241.83	4,861,333.68		104,226.95		
India.....	Rupees.....	7,292,177-0-0	2,266,720.22	737.32		14.88		
	Surplus property.....			177-0-0		83.56		
Iran.....	Rials.....	617,556,704.70	19,176,314.38	7,282,000-0-0		2,208,666.66		
	Charges.....			617,556,756.95		19,176,286.12		
	Dinars.....	1,176,756.961	4,745,606.92	597,861.725		28.26		
	Taxes.....			479		2,412,425.02	577,799.227	2,335,753.45
	Charges.....			9.174		1.93		
	Repayments.....			96,366		37.00		
Israel.....	Israeli pounds.....	22,896,017	92,446.30	22,886,869	−22,896.93	69,494.74	2.068	8.31
Lebanon.....	Charges.....	4,461,799.97	2,015,597.62	13,660		95.32		
	Pounds.....			4,461,780.65	−115,822.84	1,899,766.89		
New Zealand.....	Charges.....	38,530-6-0	125,000.00	19.42		8.89		
	Surplus property.....			38,530-6-0		125,000.00		
Norway.....	Kroner.....	74,549.30	15,003.08	74,457.02	+27.00	124,000.00		
	Charges.....			52.28		13,015.56		
Palestine.....	Pounds.....	106,424.660	429,689.16	6,424.560		28,939.16		
	Repayments.....			100,000.000		403,750.00		

See footnotes at end of table.



STATEMENT X.—Record of foreign currency received, sold, and on hand, cumulative through June 30, 1949—Continued

Country	Units	Foreign currency received		Foreign currency sold			Foreign currency unsold	
		Foreign currency value	Estimated dollar value <sup>1</sup>	Foreign currency value	Gain (+) or loss (—) dollar value	Dollar received	Foreign currency value	Estimated dollar value <sup>1</sup>
Transjordan.....	Palestine pounds.....	2,930,523	\$11,831.99					
Tripoli.....	Lire.....	2,760,908	23,208.88	2,760,908			2,930,523	\$11,831.99
United Kingdom.....	Pounds.....	1,673,699-11-8	6,749,162.32	1,611,703-6-1	—\$36.14	\$23,208.88 6,520,177.71		\$ 21,051.53
	Fulbright program.....			61,996-5-7		250,000.00		
Total.....			75,401,824.85		—180,841.57	55,068,878.12		17,124,196.91
	Taxes.....				3.44			
	Charges.....				2,459.20			
	Repayments.....				423,978.95			
	Fulbright program.....				299,800.00			
	Surplus property.....				2,331,696.66			

<sup>1</sup> Dollar value based on rate of exchange prevailing at the time the foreign currency was received.

; Funds to be transferred to Division of Finance, Department of State.

; Credit.

STATEMENT XI

In connection with procurement of defense articles by various Federal agencies, it was necessary in certain cases that financing be arranged for the manufacturers, producers, or suppliers of such articles in the form of loans by banks or other financing institutions. In many cases the manufacturers, producers, or suppliers were not able to obtain such financing unless the loan was guaranteed by the United States Government. Such loans, which were referred to as "V loans," were guaranteed pursuant to the authority granted to the President by the various provisions of the First War Powers Act, 1941, approved December 18, 1941, by the Seventy-seventh Congress. All such loans, after clearance by a review committee, were processed through the organization established by the Department of the Army for handling these loans. A total of \$35,000,000 was allocated to the Department of the Army for this purpose, all of which has been withdrawn. This statement shows the amount of loans made and repaid under this program. There were no losses.

STATEMENT XI.—V-Loan guaranty program, cumulative through June 30, 1949

Name of borrower	Amount advanced and repaid	Name of borrower	Amount advanced and repaid
TERMINATED LOANS		TERMINATED LOANS—continued	
Processed Food Co.....	\$273,500.00	Cummins Diesel Engines, Inc.....	\$456,317.04
Baumer Food Products Co.....	292,996.00	E. H. Spiegel.....	8,765,359.70
Mid State Frozen Egg Corp.....	16,872,293.30	Monark Food Products Co.....	5,094,279.08
Marshall Produce Co.....	8,218,138.70	Penokee Veneer Co.....	175,000.00
Teaford Danches & Co.....	29,320,680.17	Albert F. Goetz, Inc.....	3,220,216.86
F. M. Stamper Co.....	25,125,468.54	Harry M. Liggett.....	13,305,076.95
A. A. Walters & Co.....	885,539.56	Acme Protection Equipment Co.....	112,500.00
J. M. Julian Co.....	115,279.77	McDonald Lumber Co.....	503,000.00
Tasty Foods Co.....	478,532.51	George Jeck Co.....	8,783,864.40
Doughboy Mills, Inc.....	3,246,000.00	T. Jenson & Sons.....	6,940,976.76
American Dietaide Co., Inc.....	289,500.00	Venice Maid Co.....	900,000.00
C. Jim Stewart & Stevenson.....	1,150,000.00	Sardik Food Products Corp.....	10,134,000.00
F. B. Huxley & Sons.....	1,185,000.00	Equitable Bearing Co., Inc.....	200,000.00
Midwest Dehydrating Products Co.....	509,438.64		
Pacific Enterprise Products Co.....	1,187,000.00	Total.....	147,739,957.98

## STATEMENT XII

This statement summarizes, by country and by appropriation categories, the monetary value of reverse lend-lease aid received by the United States from foreign governments. The categories used herein are identical with those used in reporting defense aid provided by the United States to other governments under the authority of An Act To Promote the Defense of the United States, approved March 11, 1941.

STATEMENT XII.—Reverse lend-lease aid received from foreign governments by country and by appropriation category cumulative to September 2, 1945, reported through June 30, 1949

Country	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft
Belgium.....	\$191,215,983.35	\$3,617,925.44		\$10,359,801.55	\$112,520.57
British Empire.....	6,752,073,165.40	117,913,403.18	\$450,479,590.59	97,774,454.48	219,453,451.26
China.....	3,672,000.00		3,672,000.00		
France.....	867,781,244.70				
Netherlands.....	2,367,699.64			193.12	1,134,587.73
U. S. S. R.....	2,212,697.81				
Total.....	7,819,322,790.90	121,531,328.62	454,151,590.59	108,134,449.15	220,700,559.56

Country	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses
Belgium.....	\$19,538,701.97	\$23,997,746.10	\$18,253,987.96	\$33,352,710.97	\$31,992,588.79
British Empire.....	1,314,423,424.49	1,556,203,888.20	1,876,612,638.62	193,278,393.88	925,933,920.70
France.....	72,132,115.38	201,674,487.02	136,959,069.04	4,988,920.92	452,026,652.34
Netherlands.....	35,461.11	203,281.67	92,101.22	59,636.11	842,438.68
U. S. S. R.....		56,785.84		2,155,911.97	
Total.....	1,406,129,702.95	1,782,136,188.83	2,031,917,796.84	233,835,573.85	1,460,785,600.51

## STATEMENT XIII

The President in his letter of August 19, 1942, to the Honorable Sumner Welles, Under Secretary of State, authorized the Lend-Lease Administration to establish the Caribbean revolving fund for the purpose of undertaking a program of supplying food and other agricultural supplies to the various colonies, republics, and islands throughout the Caribbean area.

Allocations of lend-lease funds in the total amount of \$25,000,000 were made to the Department of Agriculture (\$22,137,584.08 of which have subsequently been withdrawn) to be used as a revolving fund, to sell or to transfer on a reimbursable basis any articles procured from these funds. Additional authorization was given to use the funds for necessary operating costs and other expenses incident to the program.

In allocating these funds to the Department of Agriculture, it was the objective that no profit should accrue to any Government agency in the handling of this fund, and also that there should be no loss to the revolving fund. So that these two stipulations could be carried out, selling prices were to be fixed at 3-month intervals and adjusted either upward or downward for the succeeding period. Operating

cost and losses which might occur in warehousing, spoilage, shrinkage, etc., were to be fully covered as practicable by having sales of commodities carry a mark-up.

This statement is presented to show the status of the Caribbean revolving fund as of June 30, 1947. It covers the last report submitted by the Department of Agriculture and reflects the net loss as a result of the funds operations. This loss was due primarily to related administrative expenses being charged to the fund, losses resulting from sunken ships, and certain other operating costs which could not justifiably be completely covered by mark-up.

Subsequent to June 30, 1947, the remaining accounts receivable and payable of the fund were referred to General Accounting Office for final settlement. In conclusion, it can be stated that regardless of the loss the main objective of the fund, that of supplying vitally needed food and agricultural products, was accomplished through the use of the revolving fund.

STATEMENT XIII.—*Analysis of Caribbean Revolving Fund, cumulative through June 30, 1949*

Allocations:	
Amount allocated.....	\$25, 000, 000. 00
Less revocations.....	22, 137, 584. 08
Net allocations.....	<u>\$2, 862, 415. 92</u>
Operations statement:	
Expenditures:	
Goods sold (gross).....	\$69, 108, 797. 73
Administrative expenses.....	334, 100. 84
Other.....	2, 472, 351. 52
Total expenditures.....	<u>71, 915, 250. 09</u>
Receivables:	
Collections made (gross).....	\$69, 027, 364. 82
Accounts receivable, June 30, 1948.....	81, 432. 91
Total receivables.....	<u>69, 108, 797. 73</u>
Net loss.....	<u>2, 806, 452. 36</u>
Net funds available for revocations.....	<u>55, 963. 56</u>
Total.....	<u>2, 862, 415. 92</u>

## APPENDIX II

(Enclosure to Despatch No. 64 of May 20, 1949, from American Legation, Addis Ababa, entitled "Transmitting Signed Text of Lease-Lend Settlement Agreement between the United States and Ethiopia.")

### AGREEMENT ON LEND-LEASE SETTLEMENT BY AND BETWEEN ETHIOPIA AND THE UNITED STATES OF AMERICA <sup>1</sup>

The Government of the United States of America and the Imperial Government of Ethiopia,

<sup>1</sup> This agreement was signed in duplicate. One copy (original typewritten copy) was retained by the Ethiopian Ministry of Foreign Affairs; the duplicate (carbon copy) is the present copy transmitted to the Department. Two additional carbon copies were initialed by the two signatories, one of the latter copies being retained by the Ministry of Foreign Affairs, and the other by the Legation for its files.

The Ethiopian Foreign Office presented the instruments for execution in this manner. The Legation desired to forward a signed copy on bond paper, but considered that it was advisable not to insist on this point, in order to avoid further delay.

Having reached an understanding regarding settlement of lend-lease and reciprocal aid and of financial claims of each Government against the other Government arising out of World War II;

Having decided that this settlement shall be complete and final and that no further benefits shall be sought as consideration for lend-lease or reciprocal aid or for the settlement of claims or other obligations arising out of the war, except as herein specifically provided;

Having taken full cognizance of the benefits already received by each of them in the defeat of their common enemies and having also taken full cognizance of the general obligation assumed by each of them, in Article VII of their Agreement of August 9, 1943, on the Principles Applying to Mutual Aid under the Act of March 11, 1941, of the Congress of the United States of America;

Being desirous of continuing to discuss arrangements for agreed action for the attainment of the economic objectives referred to in Article VII of the Agreement of August 9, 1943;

Have agreed as follows:

#### ARTICLE 1

The term "Lend-Lease article" as used in this agreement means any article transferred by the Government of the United States of America under the Act of March 11, 1941:

- (a) to the Imperial Government of Ethiopia, or
- (b) to any other government and retransferred to the Imperial Government of Ethiopia.

#### ARTICLE 2

(a) The Imperial Government of Ethiopia will pay to the Government of the United States of America the sum of \$200,000 (two hundred thousand U. S. Dollars) by any of the following methods, or any combination thereof, designated by the Government of the United States of America:

(i) by providing for delivery to the Government of the United States of America real property and improvements to real property in Ethiopia as selected and determined by agreement between the two Governments; or

(ii) by providing against request Ethiopian dollars for expenditure by the Government of the United States of America, or by such foundation, person, or organization as the United States may designate, in accordance with agreements to be reached between the two Governments for carrying out educational and cultural programs of benefit to the two countries; or

(iii) by providing against request Ethiopian dollars for the payment of any or all expenditures in Ethiopia of the Government of the United States and its agencies; or

(iv) by paying, within five (5) years and ninety (90) days after the date of this Agreement, in United States dollars the difference between \$200,000 and the United States dollar value of the payments made under subsections (i), (ii), and (iii) above during the five (5) years following the date of this Agreement.

(b) The exchange rate applicable to payments under the provisions of paragraph (a) of this Article shall be that established by the International Monetary Fund which is in effect at the time of payment,

provided that, if no such rate exists, the rate shall be that rate most favorable to the Government of the United States of America which was used in any official transaction of the Imperial Government of Ethiopia with any party in the preceding twelve months' period.

(c) The Imperial Government of Ethiopia agrees to use its best efforts to deliver without undue delay to the Government of the United States of America any real property or improvements to real property which have been selected and determined by representatives of the two Governments, pursuant to paragraph (a) (i) above. Representatives of the Government of the United States of America may, at their discretion, conduct discussion directly with property owners and contractors regarding the acquisition of such property or improvements by the Imperial Government of Ethiopia for delivery to the Government of the United States of America. But no such discussions shall give rise to any obligations whatsoever on the part of the Imperial Government of Ethiopia.

### ARTICLE 3

(a) The Imperial Government of Ethiopia hereby acquires full title, without qualifications as to disposition or use, to all lend-lease articles transferred to the Imperial Government of Ethiopia, except lend-lease articles now in the possession or control of the Armed Forces of the Imperial Government of Ethiopia.

(b) The Government of the United States of America hereby acquires full title, without qualification as to disposition or use, to all articles transferred to the Government of the United States of America by the Imperial Ethiopian Government under reciprocal aid.

### ARTICLE 4

Under Article V of the Agreement of August 9, 1943, the Government of the United States of America has the right to recover at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under that Agreement as have not been destroyed, lost, or consumed and as shall be determined by the President to be of use to the United States of America. Although the Government of the United States of America does not intend to exercise generally this right of recapture, the Government of the United States of America expressly reserves such right with respect to lend-lease articles of types essentially or exclusively for use in war or warlike exercises now in the possession or control of the Armed Forces of the Imperial Government of Ethiopia; and the Imperial Government of Ethiopia hereby agrees that the Government of the United States of America at any time hereafter may exercise this right of recapture with respect to lend-lease articles of types essentially or exclusively for use in war or warlike exercises now in the possession or control of the Armed Forces of the Imperial Government of Ethiopia which, as of the date upon which notice requesting return is communicated to the Imperial Government of Ethiopia, have not been destroyed, lost, or consumed.

## ARTICLE 5

The Imperial Government of Ethiopia will not transfer or dispose of lend-lease articles in the categories of arms, munitions and other lethal weapons now in the possession or control of its Armed Forces to any third country without the prior consent of the Government of the United States of America.

## ARTICLE 6

Nothing in this Agreement affects the obligation of the Imperial Government of Ethiopia in connection with silver transferred to it by the Government of the United States of America under lend-lease.

## ARTICLE 7

Financial claims between the two Governments arising out of existing arrangements, where the liability for payment has heretofore been acknowledged and the methods of computation mutually agreed, are not covered by this settlement as they will be settled in accordance with such arrangements. Likewise claims submitted in accordance with the practice whereby one Government espouses a claim of one of its nationals and presents it through diplomatic channels to the other Government are not covered by this settlement. In consideration of the mutual undertakings described in this Agreement, and with the objective of arriving at as comprehensive a settlement as possible, all other financial claims whatsoever of one Government against the other which (i) have heretofore arisen, or hereafter arise out of lend-lease or reciprocal aid, or (ii) otherwise arose on or after September 3, 1939, and prior to September 2, 1945, out of or incidental to the conduct of World War II, and which are not otherwise dealt with in this Agreement, are hereby waived, and neither Government will hereafter raise or pursue any such claims against the other.

## ARTICLE 8

The Government of the United States of America and the Imperial Government of Ethiopia reaffirm their adherence to Articles IV and VII of their Agreement dated August 9, 1943, and in connection with Article VII, agree to confer together with other governments in the near future in order to bring about the expansion, by appropriate international and domestic measures of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; the elimination of all forms of discriminatory treatment in international commerce; and the reduction of tariffs and other trade barriers. Pending such a conference, the two Governments declare it to be their policy to avoid the adoption of new measures affecting international trade, payments, or investments which would prejudice the objectives of such a conference. Furthermore, the Government of the United States of America and the Imperial Government of Ethiopia agree to afford to each other adequate opportunity for consultation regarding measures falling within the scope of this paragraph.

This Agreement shall enter into force on the day it is signed.

Signed in duplicate at Addis Ababa this twentieth day of May, nineteen hundred and forty-nine.

For the Imperial Government of Ethiopia:

[SEAL]

HUESSA.

For the Government of the United States of America:

[SEAL]

DONALD F. BIGELOU,

*Chargé d'Affaires ad interim of the United States of America  
at Addis Ababa.*

### APPENDIX III

#### INTERCHANGE OF PATENT RIGHTS, INFORMATION, INVENTIONS, DESIGNS, OR PROCESSES—AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, AMENDING THE AGREEMENT OF AUGUST 24, 1942

Whereas there was signed and sealed at Washington on the twenty-fourth day of August 1942, for the Government of the United States of America and for the Government of the United Kingdom of Great Britain and Northern Ireland, in further fulfillment of the policy set forth in their Agreement of February 23, 1942, on the principles applying to mutual aid in the prosecution of the war against aggression, [1] an Agreement deemed to have been in effect and operation as from January 1, 1942, concerning the interchange of patent rights, information, inventions, designs, or processes; [2] and

Whereas it is desirable to amend the said Agreement of August 24, 1942, in certain particulars;

Now, therefore, it is agreed by the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland that the said Agreement of August 24, 1942, shall be and is hereby amended to read as follows:

#### ARTICLE I

(a) Each Government, insofar as it may lawfully do so, will procure and make available to the other Government, for use in war production, patent rights, information, inventions, designs, or processes requested by the other Government. In the case of the United States of America, the law authorizing such procurement and transfer is now the Act of the Congress of the United States approved March 11, 1941 (Public, 11, 77th Congress), as amended. Each Government will bear the cost of the procurement of such patent rights, information, inventions, designs, or processes from its own nationals.

(b) In this Agreement the term "nationals" in relation to the United States of America shall mean all natural persons who on May 8, 1945, were exclusively citizens of the United States of America, all corporations, partnerships, and associations organized under the laws of the United States of America, its territories, the several States, or the District of Columbia, and all natural persons domiciled or resident in the United States of America on May 8, 1945, as well as

<sup>1</sup> [Executive Agreement Series 241; 56 Stat. 1433.]

<sup>2</sup> [Executive Agreement Series 268; 56 Stat. 1594.]



the Government of the United States of America and all of its agencies, but the term "nationals" in relation to the United States of America shall not include natural persons who were on May 8, 1945, exclusively subjects of the United Kingdom even though they were domiciled or resident in the United States of America on that date. In this Agreement the term "nationals" in relation to the United Kingdom shall mean all natural persons who on May 8, 1945, were exclusively subjects of the United Kingdom, all corporations, partnerships, and associations organized under the laws of the United Kingdom, and all natural persons domiciled or resident in the United Kingdom on May 8, 1945, as well as the Government of the United Kingdom and all of its agencies, but the term "nationals" in relation to the United Kingdom shall not include natural persons who on May 8, 1945, were exclusively citizens of the United States of America even though they were domiciled or resident in the United Kingdom on that date.

(c) The basic principle as to which Government shall undertake and bear the cost of procurement in doubtful cases shall be decided according to whether dollar or sterling costs are necessarily involved. In the former case the Government of the United States of America will effect acquisition and in the latter case the Government of the United Kingdom will effect acquisition, but each Government will pay the remuneration and other expenses of its own representatives incurred in connection with communicating any research or manufacturing information to the other Government.

## ARTICLE II

All patent rights so acquired shall be acquired and used for the purposes of, and until the termination of, the war only, unless otherwise expressly provided, except that contracts entered into (for the production, use, or disposition of articles) which cannot be terminated without penalty, may be completed, and all articles on hand at the termination of the war, or completed as permitted herein, may be used and disposed of. Information, inventions, designs, or processes so acquired and not covered by patents or patent applications shall be acquired upon such terms as may most expeditiously make such information, inventions, designs, or processes available for the purposes of the war, with provision, to the extent practicable, for the limitation of the use thereof for the purposes of and until the termination of the war. When the information, invention, design, or process is of a category for which the other Government requests secrecy upon security grounds, each Government will take such steps as it deems practicable to ensure the appropriate degree of secrecy in manufacture and use. The term "termination of the war," for the purposes of this Agreement, shall mean the date when the Government of the United States of America and the Government of the United Kingdom have ceased to be jointly engaged in actual hostilities against a common enemy, or such other date as may be mutually agreed upon, and shall not be dependent on the date of the signing of a peace treaty.

## ARTICLE III

Such acquisition by the Government of the United States of America will be effected in accordance with regular Lend-Lease procedure (or

its then current equivalent) and will be financed under such program, except that other procedure may be used in those instances where no expenditure of funds is necessary.

#### ARTICLE IV

Such acquisition by the Government of the United Kingdom will be effected on the basis of written requests submitted by any authorized department or agency of the Government of the United States of America to the British Supply Council (or to such other agency of the Government of the United Kingdom as may be designated from time to time). Copies of all such requests will be furnished to the Office of Lend-Lease Administration. The British Supply Council will furnish to that Office reports as to all patent rights, information, inventions, designs, or processes obtained and transferred to the agency requesting the same and the acquisition cost thereof, if any.

#### ARTICLE V

Insofar as is found practicable in the circumstances of each case, adequate licenses or assignments and contract rights shall be acquired by each Government, in accordance with the requests of the other Government, and transferred to the other Government. Where desirable each Government will sponsor necessary relationships and permit dealings between the original grantor and the ultimate user. It is contemplated that normally the rights obtained should, subject to the limitations contained in Article II of this Agreement, include, among other things:

(a) The right to make, to have made, to use, and to dispose of, articles embodying the subject matter of the patent rights, information, inventions, designs, or processes, so acquired, including the right to use and practice any of the aforesaid.

(b) Provision for securing to the recipient Government or its designees all necessary personal expert services and supplementary information.

(c) Permission to transfer, assign, license, or otherwise dispose of, any or all of the rights and privileges acquired, to the other Government, with further permission to the latter to transfer, assign, license, or otherwise dispose of any or all of the same to contractors, subcontractors, or other appropriate designees of the recipient Government, for war production purposes only.

(d) The reservation on the part of the acquiring Government that it, and parties in interest holding under it, shall have the right at any time to contest the validity of any patent rights acquired.

(e) Whenever practicable, a guarantee by the licensor or patentee as to the validity of his patent, in respect of which the license is granted, with an indemnity against any infringement claims.

(f) Provision for the exchange of information, between the licensor or patentee and ultimate licensee, as to improvements or the results of research on the subject matter of the license, together with the use of any patents which may be obtained in respect of such improvements, with a further provision that the like information and right to use additional patents shall simultaneously be furnished to both Governments.

## ARTICLE VI

(a) Subject to the provisions of Article VII of this Agreement, the Government of the United Kingdom agrees and undertakes to indemnify and save harmless the Government of the United States of America against all claims asserted by nationals of the United Kingdom under any United States patents for the use of any method or process and for the manufacture, use, or disposition of any article, which method, process, or article was used, manufactured, or disposed of by or for the Government of the United States of America

- (1) for the purposes and to the extent set forth in Article II of this Agreement; or
- (2) in connection with the supply of articles to the Government of the United Kingdom under Lend-Lease or equivalent procedure, including the manufacture, use, and disposal of articles so supplied; or
- (3) pursuant to a request made or authority given, for the purposes of the war, by the Government of the United Kingdom to the Government of the United States of America;

provided always that the Government of the United States of America will, whenever in its judgment practicable, avail itself of any indemnity from a third party of which it shall have the benefit, in lieu of the indemnity from the Government of the United Kingdom contained in this Agreement. For the purposes of this paragraph (a) claims asserted by nationals of the United Kingdom under Title 35, Section 42, of the United States Code, 1940 edition, and Title 35, Section 90, of the United States Code, 1940 edition, Supplement IV, shall be construed to be claims under patents; and for the purposes of this paragraph (a) claims asserted by nationals of the United Kingdom under any United Kingdom patents or registered designs against United States Government contractors or subcontractors shall be construed to be claims subject to indemnification by the Government of the United Kingdom in cases where the Government of the United States of America has agreed and undertaken to indemnify and save harmless such contractors or subcontractors against any liability resulting from the use of any patented invention or registered design.

(b) Subject to the provisions of Article VII of this Agreement, the Government of the United Kingdom agrees and undertakes to indemnify and save harmless the Government of the United States of America against all claims asserted by nationals of the United Kingdom, under any law of the United States of America for compensation for the use or practice of any unpatented inventions, information, designs, or processes furnished by the Government of the United Kingdom to the Government of the United States of America and used or practiced by or for the latter Government pursuant to the provisions of Article II of this Agreement, or for the use or practice of any unpatented inventions, information, designs, or processes by or in the manufacture, use, or disposition, by or for the Government of the United States of America, of articles manufactured, used, or disposed of

- (1) for the purposes and to the extent set forth in Article II of this Agreement; or

- (2) in connection with the supply of articles by the Government of the United States of America to the Government of the United Kingdom under Lend-Lease or equivalent procedure and the use and disposal of such articles by the Government of the United States of America; or
- (3) pursuant to a request made or authority given, for the purposes of the war, by the Government of the United Kingdom to the Government of the United States of America;

provided always that the Government of the United States of America will, whenever in its judgment practicable, avail itself of any indemnity from a third party of which it shall have the benefit, in lieu of the indemnity from the Government of the United Kingdom contained in this Agreement.

(c) The indemnities set forth in paragraphs (a) and (b) of this Article shall apply whether or not written requests in accordance with Article IV of this Agreement have been or will be at any time submitted by any authorized department or agency of the Government of the United States of America.

## ARTICLE VII

The indemnity by the Government of the United Kingdom to the Government of the United States of America shall be subject to the following conditions and procedure, namely:

(a) That the Government of the United States of America, as soon as practicable after receiving notice of any claim by which a liability might fall upon the Government of the United Kingdom under the indemnity, will notify the Government of the United Kingdom of such claim having been made.

(b) That, upon being so notified of any such claim, the Government of the United Kingdom will, so far as practicable, dispose of such claim through negotiations with the claimant.

(c) That the Government of the United States of America will not enter into negotiations or make any compromise or settlement out of court with any such claimant without the prior knowledge and concurrence of the Government of the United Kingdom.

(d) That, in all cases in which no prior disposition or compromise or settlement of a claim shall have been made, as in paragraphs (b) and (c) of this Article, and the claim becomes the subject of legal proceedings in the United States Court of Claims or other appropriate United States court, the Government of the United Kingdom shall, if it so requests, be permitted to assist the Government of the United States of America in defending any such proceedings, and that, in the event that judgment is rendered against the Government of the United States of America, the Government of the United Kingdom will satisfy such judgment for and on behalf of the Government of the United States of America in the manner and within the time prescribed by law, or, if the judgment should be satisfied by payment by the Government of the United States of America, the latter shall be reimbursed by the Government of the United Kingdom in the same amount and the same kind of currency as the Government of the United States of America paid to the United Kingdom national in satisfying such judgment.

## ARTICLE VIII

(a) Subject to the provisions of the Act of the Congress of the United States approved March 11, 1941 (Public, 11, 77th Congress), as amended, and the provisions of Article IX of this Agreement, the Government of the United States of America agrees and undertakes to indemnify and save harmless the Government of the United Kingdom against all claims asserted by nationals of the United States of America under any United Kingdom patents or registered designs (including claims for compensation for the use of inventions which are the subject matter of applications for patents or registered designs, and publication of which has been prohibited under the United Kingdom Defence Regulations, provided that the patents shall have issued or the registrations shall have been effected) for the use of any method or process and for the manufacture, use, or disposition of any article, which method, process, or article was used, manufactured, or disposed of by or for the Government of the United Kingdom.

(1) for the purposes and to the extent set forth in Article II of this Agreement; or

(2) in connection with the supply of articles to the Government of the United States of America under Reciprocal Aid or equivalent procedure, including the manufacture, use, and disposal of articles so supplied; or

(3) pursuant to a request made or authority given, for the purposes of the war, by the Government of the United States of America to the Government of the United Kingdom;

provided always that the Government of the United Kingdom will, whenever in its judgment practicable, avail itself of any indemnity from a third party of which it shall have the benefit, in lieu of the indemnity from the Government of the United States of America contained in this Agreement. For the purposes of this paragraph (a) claims asserted by nationals of the United States of America under any United States patents against United Kingdom Government contractors or subcontractors shall be construed to be claims subject to indemnification by the Government of the United States of America in cases where the Government of the United Kingdom has agreed and undertaken to indemnify and save harmless such contractors or subcontractors against any liability resulting from the use of any patented invention.

(b) The indemnity set forth in paragraph (a) of this Article shall apply whether or not requisitions have been or will be at any time filed by the Government of the United Kingdom under regular Lend-Lease procedure or its then current equivalent in accordance with Article III of this Agreement.

## ARTICLE IX

The indemnity by the Government of the United States of America to the Government of the United Kingdom shall be subject to the following conditions and procedure, namely:

(a) That the Government of the United Kingdom, as soon as practicable after receiving notice of any claim by which a liability might fall upon the Government of the United States of America under the indemnity, will notify the Government of the United States of America of such claim having been made.

(b) That, upon being so notified of any such claim, the Government of the United States of America will, so far as practicable, dispose of such claim through negotiations with the claimant.

(c) That the Government of the United Kingdom will not enter into negotiations nor make any compromise or settlement out of court with any such claimant without the prior knowledge and concurrence of the Government of the United States of America.

(d) That, in all cases in which no prior disposition or compromise or settlement of a claim shall have been made, as in paragraphs (b) and (c) of this Article, and the claim becomes the subject of legal proceedings in the appropriate United Kingdom court or other tribunal, the Government of the United States of America shall, if it so requests, be permitted to assist the Government of the United Kingdom in defending any such proceedings, and that, in the event that judgment is rendered against the Government of the United Kingdom, the Government of the United States of America will satisfy such judgment for and on behalf of the Government of the United Kingdom in the manner and within the time prescribed by law, or, if the judgment should be satisfied by payment by the Government of the United Kingdom, the latter shall be reimbursed by the Government of the United States of America in the same amount and the same kind of currency as the Government of the United Kingdom paid to the United States national in satisfying such judgment.

(e) That in accordance with the provisions of Section 3 (c) of the Act of the Congress of the United States approved March 11, 1941 (Public, 11, 77th Congress), as amended, the obligations of the Government of the United States of America under the indemnity shall only extend to claims of which the Government of the United States of America is notified in accordance with paragraph (a) of this Article before July 1, 1949 or such other date as Congress may hereafter enact in amendment of said Section 3 (c).

## ARTICLE X

(a) Subject to the following provisions of this Article, the indemnity set forth in Articles VI, VII, VIII, and IX of this Agreement shall inure only to the benefit of the respective Governments. However, each Government agrees and undertakes to indemnify and save harmless the nationals of the other Government whom such Government requests so to be indemnified against all claims asserted by the nationals of the indemnifying Government under any patents or registered designs for the use of any method or process and for the manufacture, use, or disposition of any article, which method, process, or article was used, manufactured, or disposed of to the extent set forth in Article II of this Agreement in the course of manufacture, use, or disposition for the essential war needs of the civilian population of the country of the nationals whom it is sought to indemnify; provided, however, that requests for indemnities under this Article X shall be made only in cases where the formal requisitions for the rights under the patents or registered designs involved shall have been filed with the indemnifying Government on or before April 8, 1946, and provided further that such requests shall be made only in cases where the requesting Government had assured its nationals whom it seeks to have indemnified that they would be saved harmless from liability

in respect of such claims. Nothing in this Article X shall be construed as conferring any rights on any national of either country to assert any claim against the Government of the other country.

(b) The indemnities set forth in this Article X shall be subject to the nationals whom it is sought to indemnify agreeing to comply substantially with the conditions and procedure set forth in Articles VII and IX of this Agreement. It is understood that the limitation set forth in paragraph (e) of Article IX shall apply to the obligation of the Government of the United States of America under this Article X.

#### ARTICLE XI

In order to avoid conflict with the understanding contained in this Agreement, departments or agencies of the Government of the United States of America, which negotiate contracts for production in the United States of America, pursuant to specifications furnished by or on behalf of the Government of the United Kingdom, will not require contractors in the United States of America to give indemnities to the Government of the United States of America which would be likely to result in efforts by the contractors to obtain an offsetting indemnity from the Government of the United Kingdom; the Government of the United Kingdom assumes a reciprocal obligation toward the Government of the United States of America.

#### ARTICLE XII

Anything contained in this Agreement to the contrary notwithstanding, any obligations heretofore or hereafter undertaken by the Government of the United Kingdom pursuant to the provisions of Section 7 of the Act of the Congress of the United States approved March 11, 1941 (Public 11, 77th Congress), as amended, as such obligations may be interpreted by the President of the United States of America or by a United States court of competent jurisdiction, shall be performed by the Government of the United Kingdom.

#### ARTICLE XIII

All payments made by the Government of the United States of America and the Government of the United Kingdom, respectively, in carrying out the terms of this Agreement shall be accounted for by the appropriate agencies of the two Governments as aid extended and benefits received by the Government of the United States of America in accordance with the Act of the Congress of the United States approved March 11, 1941 (Public 11, 77th Congress), as amended, and the agreement between the two Governments entered into at Washington on February 23, 1942.

#### ARTICLE XIV

Each Government will give to the other Government all possible information and other assistance required in connection with computing any payments to be made to nationals of the other Government with respect to the use of their patent rights, information, inventions, designs, or processes.

ARTICLE XV

A joint committee of representatives of the Government of the United States of America and of the Government of the United Kingdom shall be established for the purpose of dealing with problems arising in connection with operations under this Agreement and of making appropriate recommendations to proper authorities with respect thereto.

ARTICLE XVI

No patent rights, information, inventions, designs, or processes shall be requested by either Government under this Agreement nor shall the indemnities set forth in Articles VI, VII, VIII, IX, and X of this Agreement apply in respect of any use or infringement occurring during the continuance in effect of a license agreement or other contractual obligation in existence on January 1, 1942, between a national of one Government on the one hand and a national of the other Government on the other hand covering such patent rights, information, inventions, designs, or processes; provided that if such license agreement or other contractual obligation be nonexclusive, such patent rights, information, inventions, designs, or processes may be requested by either Government under this Agreement in respect of their use or infringement by nationals of the requesting Government other than the national holding such license agreement or other contractual obligation and the indemnities aforesaid shall, if otherwise applicable in accordance with their terms, apply to the same extent.

ARTICLE XVII

This Agreement shall be deemed to have been in effect and operation as from January 1, 1942, and shall expire on April 8, 1946, but without prejudice to any liability which may then already have been incurred, or which may thereafter arise, pursuant to any obligations undertaken by either Government by virtue of Articles VI, VII, VIII, IX, X, XII, XIII, XIV, and XVI of this Agreement. For these purposes the definitions of the term "nationals" set forth in Article I of this Agreement shall continue in effect after April 8, 1946.

Done, in duplicate, at Washington this twenty-seventh day of March 1946.

For the Government of the United States of America:

DEAN ACHESON,  
*Acting Secretary of State  
of the United States of America.*

For the Government of the United Kingdom of Great Britain and Northern Ireland:

HALIFAX,  
*His Majesty's Ambassador Extraordinary  
and Plenipotentiary at Washington.*







# THIRTIETH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTIETH REPORT TO CONGRESS ON  
LEND-LEASE OPERATIONS, FOR THE  
PERIOD ENDING DECEMBER 31, 1949

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CURRENT SETTLEMENT NEGOTIATIONS  
LIBERIAN PORT PROJECT  
TABLE OF LEND-LEASE AGREEMENTS  
AND SETTLEMENTS



THE LIBRARY OF THE

JUN 16 1954

UNIVERSITY OF ILLINOIS

APRIL 27, 1950.—Referred to the Committee on Foreign Affairs  
and ordered to be printed

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1950

Submitted in accordance with section 5, subsection b, of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))

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## **PRESIDENT'S LETTER OF TRANSMITTAL**

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THE WHITE HOUSE, *April 27, 1950.*

*To the Congress of the United States:*

I am transmitting herewith the Thirtieth Report to Congress on Lend-Lease Operations, for the period ending December 31, 1949.

HARRY S. TRUMAN.

(Enclosure: Thirtieth Report to Congress on Lend-Lease Operations.)

III



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# THIRTIETH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## STATUS OF NATIONS

A table entitled "Status of Nations" is contained in the appendix. This table shows with respect to each lend-lease recipient country the date it was declared eligible for lend-lease aid and the date and place of publication of lend-lease master, settlement, and related agreements.

## CURRENT SETTLEMENT NEGOTIATIONS

### CHINA

The United States furnished defense aid to China under the Lend-Lease Act amounting to 1.6 billion dollars. Negotiations for a settlement with the Government of China were resumed in June 1948. Since no offer of settlement was received from the Chinese representatives, the Department sent a note to the Chinese Ambassador in March 1949, proposing terms of settlement for defense aid and a method of disposing of certain intergovernmental and private claims and other related matters outstanding between the two Governments. Although no reply has been received to this note, the Department is continuing its efforts to conclude a settlement.

### SOVIET UNION

Through exchanges of notes and discussions with the Soviet Ambassador, negotiations on a lend-lease settlement with the Union of Soviet Socialist Republics have continued. Formal negotiations with the Soviet Government commenced on April 1, 1947, and have continued intermittently since that date. Early in 1948, at the request of the United States, the Soviet Government returned seven war-built tankers and one old dry-cargo vessel in accordance with article V of the Master Lend-Lease Agreement of June 11, 1942. On September 27, 1949, agreement was reached with Soviet representatives as to the dates and procedures for the return of 3 ice breakers and 27 frigates of the United States Navy, which had been made available to the Soviet Union under lend-lease agreement procedures. All of the frigates and one of the ice breakers were returned in December 1949, and the Soviets have given assurances that the remaining two ice breakers will be returned in the spring of 1950 when they can break free of heavy Arctic ice, in which, according to the Soviet Government, they have been locked. While there has been some progress on other aspects of a lend-lease settlement with the U. S. S. R., as yet there has been no substantial agreement on several of the major issues.



## AMERICAN REPUBLICS

Pursuant to the established policy of this Government to require fulfillment of the lend-lease repayment responsibilities of the several American Republics which were beneficiaries under the provisions of the Lend-Lease Act of March 11, 1941, negotiations already under way are being continued with those countries which have not yet completed payments due to the United States under their respective lend-lease accounts (both direct and contingent), in order that all such obligations eventually will be liquidated on mutually satisfactory bases.

## LIBERIAN PORT PROJECT

Under the basic lend-lease agreement with Liberia the United States undertook to construct port facilities and access roads at Monrovia, Liberia. It was agreed that the port would be managed by an American company established for that purpose and that the cost of the project would be repaid to the United States out of the net proceeds of the port.

Although the construction work has not been fully completed, the Monrovia Port Management Co., a Delaware corporation, has been managing the port on a profitable basis since July 1948, when it was opened to traffic.

Construction of the port facilities and access roads is scheduled for completion in April 1950 and, as the work progresses, certain equipment, supplies, and materials will become surplus to the needs of the United States Government. Most of this property has been sold to an American-controlled corporation (the Liberia Mining Co.), but deliveries will extend over a number of months.

# APPENDIX

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## LEND-LEASE AGREEMENTS AND SETTLEMENTS

### STATUS OF NATIONS

On the following pages appears a table which shows the status of each nation regarding its lend-lease and related agreements, the document where published agreements may be found, and other information.

Previously, a table entitled "Status of Nations" was published in the twenty-first and prior issues of the Report to Congress on Lend-Lease Operations, stating the date the country was declared eligible for lend-lease aid, the date the country signed a lend-lease agreement, the date it signed a reciprocal-aid agreement, and the date it signed the Declaration by United Nations of January 1, 1942 (not to be confused with the Charter of the United Nations signed in San Francisco in 1945).

The table set forth hereinafter refers to lend-lease settlements and related agreements concluded as of December 31, 1949. Many of the agreements noted have been published in the documents listed below following the Key to Abbreviations.

To obtain the latest information on published documents, reference should be made to United States Treaty Developments, a loose-leaf publication now being issued by the Department of State and expanded with supplement sheets, which shows the date of the treaty or other agreement, its substance, statutory authority, where published, whether modified, amended, expired, or renewed, and other useful information.

## KEY TO ABBREVIATIONS

The following abbreviations have been used in the table:

L-L Rpt.—Report to Congress on Lend-Lease Operations.  
 TIAS—Treaties and Other International Acts Series (published by the Department of State).  
 EAS—Executive Agreement Series (published by the Department of State).  
 Stat.—United States Statutes-at-Large.

## STATUS OF NATIONS

*Lend-lease and related agreements*

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt., p. 24; EAS 271; 58 Stat. 1608.	June 7, 1946	23d L-L Rpt., p. 50; TIAS 1528; 60 Stat. 1707.	Mar. 8, 1945	Marine Transportation and Litigation, EAS 487; 59 Stat. 1499.
Belgium.....	June 13, 1941	June 16, 1942	EAS 254; 56 Stat. 1504.....	Sept. 24, 1946	23d L-L Rpt., p. 61.....	Jan. 30, 1943	Reciprocal Aid, EAS 313; 57 Stat. 920.
						Aug. 4, 1943	Acts of United States Armed Forces in Belgian Congo, EAS 395; 58 Stat. 1215.
						Apr. 19, 1945	Reciprocal Aid, EAS 481; 59 Stat. 1642.
						May 19, 1945	Section 3 (c) Agreement, <sup>3</sup> 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941	-----	Nov. 23, 1947	Arrangement reached for full settlement within the basic terms of the lend-lease agreement of Dec. 6, 1941.		
Brazil.....	do.....	Mar. 3, 1942	-----	Apr. 15, 1948	Arrangement reached for full settlement within the basic terms of the lend-lease agreement of Mar. 3, 1942.	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1797.

Burma					Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947.
Canada	Nov. 11, 1941	Nov. 30, 1942	By exchange of notes, accepted principles of art. VII of United Kingdom lend-lease agreement.	Mar. 14, 1949	May 26, 1943	Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Chile	May 6, 1941	Mar. 2, 1943	5th L-L Rpt., p. 306; EAS 261; 56 Stat. 1494.		Nov. 11, 1943	Claims for Collisions Between War Vessels, EAS 366; Stat. 1301.
China	do	June 2, 1942			Nov. 15, 1946	Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1832; 61 Stat. (3) 2620.
Colombia	do	Mar. 17, 1942			May 21, 1943	Acts of Armed Forces, EAS 360; 57 Stat. 1248.
Costa Rica	do	Jan. 16, 1942			June 14, 1946	Pipeline Agreement, 23d L-L Rpt., p. 69; TIAS 1533; 60 Stat. 1760.
Cuba	do	Nov. 7, 1941			June 23, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. 3893. <sup>4</sup>
Czechoslovakia	Jan. 5, 1942	July 11, 1942				
Dominican Republic	May 6, 1941	Aug. 2, 1941	EAS 261; 56 Stat. 1562.	July 25, 1947 Sept. 16, 1948		
Ecuador	do	Apr. 6, 1942		Apr. 26, 1949		
El Salvador	do	Feb. 2, 1942		May 20, 1949	Sept. 3, 1942	Reciprocal Aid 6th L-L Rpt., p. 29; EAS 273; 56 Stat. 1614.
Ethiopia	Dec. 7, 1942	Aug. 9, 1943	EAS 334; 57 Stat. 1043.	May 28, 1946	Sept. 25, 1943	Reciprocal Aid in French North and West Africa 13th L-L Rpt., p. 66; EAS 483; 59 Stat. 1666.
France	Nov. 11, 1941 <sup>4</sup>	Feb. 28, 1945	EAS 455; 59 Stat. 1304.	Mar. 14, 1949		
Greece	Mar. 11, 1941	July 10, 1942		do	Feb. 28, 1945	Section 3 (c) Agreement, EAS 455; 59 Stat. 1304.
Guatemala	May 6, 1941	Nov. 16, 1942	EAS 260; 56 Stat. 1559.	Sept. 30, 1946		

See footnotes at end of table, p. 7.

STATUS OF NATIONS—Continued  
*Lend-lease and related agreements—Continued*

Country	Declared eligible for lend-lease aid	Lend-lease master agreement 1		Lend-lease settlement		Other related agreements 2	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Haiti.....	May 6, 1941	Sept. 16, 1941		March 3, 1948	Final payment under lend-lease agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. vi		
Honduras.....	do.....	Feb. 28, 1942		Feb. 10, 1949	Final payment under lend-lease agreement of Feb. 28, 1942; reported in 26th L-L Rpt., p. i		
Iceland.....	July 1, 1941	Nov. 21, 1941	EAS 429; 58 Stat. 1455.	May 16, 1946	23d L-L Rpt., p. 44; TIAS 1532; 60 Stat. 1753.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 392; 38 Stat. 1198.
India.....	Nov. 11, 1941					Dec. 21, 1945	Transfer on Credit; unpublished correspondence.
Iran.....	Mar. 10, 1942					Dec. 31, 1943	Port Project Agreement, EAS 411; 58 Stat. 1357.
Iraq.....	May 1, 1942	July 31, 1945	EAS 470; 59 Stat. 1535.			June 14, 1943	Reciprocal Aid, EAS 326; 57 Stat. 991.
Liberia.....	Mar. 10, 1942	June 8, 1943	EAS 324; 57 Stat. 978.			Apr. 30, 1945	Section 3 (c) Agreement, Reciprocal Aid, EAS 480; 59 Stat. 1627.
Mexico.....	May 6, 1941	Mar. 18, 1943		May 28, 1947	24th L-L Rpt., p. 22; TIAS 1750; 61 Stat. (1) 3924.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 27; EAS 272; 56 Stat. 1611.
Netherlands.....	Aug. 21, 1941	July 8, 1942	EAS 289; 56 Stat. 1554.			May 29, 1945	Marine Transportation and Litigation, EAS 471; 59 Stat. 1541.
New Zealand.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; EAS 272; 56 Stat. 1611.	July 10, 1946	23d L-L Rpt., p. 56; TIAS 1836; 60 Stat. 1791.		
Nicaragua.....	May 6, 1941	Oct. 16, 1941		Feb. 24, 1948	26th L-L Rpt., p. 61; TIAS 1716.		
Norway.....	June 4, 1941	July 11, 1942	EAS 262; 56 Stat. 1565.				
Paraguay.....	May 6, 1941	Sept. 20, 1941		Mar. 21, 1947	24th L-L Rpt., p. 38; TIAS 1593; 61 Stat. (3) 2640.		
Peru.....	do.....	Mar. 11, 1942		May 7, 1946	23d L-L Rpt., p. 66; TIAS 1541; 60 Stat. 1809.		
Poland.....	Aug. 28, 1941	July 1, 1942	EAS 257; 56 Stat. 1542.	Dec. 6, 1945	22d L-L Rpt., p. 45; TIAS 1509; 60 Stat. 1525.	Aug. 14, 1941	Atlantic Charter, EAS 236; 55 Stat. 1603.
South Africa.....	Nov. 11, 1941	Apr. 17, 1945	TIAS 1511; 60 Stat. 1576.	Mar. 27, 1946	22d L-L Rpt., p. 48; TIAS 1509; 60 Stat. 1525.	July 27, 1942	Acts of Armed Forces, EAS 355; 57 Stat. 1193.
Turkey.....	Nov. 7, 1941	Feb. 23, 1945	EAS 465; 56 Stat. 1476.				
United Kingdom.....	Mar. 11, 1941	Feb. 23, 1942	4th L-L Rpt., p. 50; EAS 241; 56 Stat. 1433.				











# THIRTY-SECOND REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTY-SECOND REPORT TO CONGRESS ON  
LEND-LEASE OPERATIONS, FOR THE  
PERIOD ENDING MARCH 31, 1951

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Payments and Settlements  
Current Settlement Negotiations  
Liberian Port Project  
Lend-Lease Fiscal Operations  
to March 31, 1951  
Status of Nations  
Lend-Lease Act  
Funds Made Available for Lend-Lease  
Termination of Lend-Lease



OCTOBER 3, 1951.—Referred to the Committee on Foreign Affairs  
and ordered to be printed

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**Submitted in accordance with section 5, subsection b, of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))**

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## PRESIDENT'S LETTER OF TRANSMITTAL

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THE WHITE HOUSE, *October 3, 1951.*

*To the Congress of the United States:*

I am transmitting herewith the Thirty-second Report to Congress on Lend-Lease Operations, for the period from April 1, 1950, to March 31, 1951, inclusive.

During the period covered by this report, a supplement to the Lend-Lease Settlement Arrangement of April 15, 1948, was signed with Brazil and final settlement commitments were signed with Colombia, Costa Rica, and Mexico, while Bolivia, Ecuador, and El Salvador liquidated the amounts which were outstanding on their lend-lease accounts incurred within the terms of their respective lend-lease agreements.

The major development in lend-lease activities during this period was the resumption on January 15, 1951, of formal across-the-table negotiations with representatives of the U. S. S. R. In preparation for these negotiations, the Secretary of State discussed with me the major points involved and I approved his recommendations, the objectives of which are: just and reasonable compensation to the United States for the civilian-type lend-lease supplies remaining on hand in the Soviet Union at the end of the war; the return to the United States, pursuant to a request submitted in accordance with the provisions of the master lend-lease agreement, of those defense articles transferred to the U. S. S. R. under lend-lease procedures which I have determined to be useful to our Government; and the payment by the U. S. S. R. of satisfactory compensation to United States owners of patented processes which are being used in the U. S. S. R. in oil refineries supplied under the lend-lease program. Despite the continued efforts of the United States negotiators to reach a satisfactory settlement, no substantial agreement on several of the major issues has yet been achieved. These negotiations are described more fully in the report itself.

Other lend-lease activities during the period covered by this report include negotiations for settlements with other countries and, also, the management of fiscal, administrative, and policy matters arising from and related to the lend-lease settlements which already have been concluded with certain of our Allies of World War II.

HARRY S. TRUMAN.

(Enclosure: Thirty-second Report to Congress on Lend-Lease Operations.)



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## THIRTY-SECOND REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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### PREAMBLE

As a matter of information and convenience to the Congress and the public, a table entitled "Status of Nations" is contained in the appendix. This table shows, with respect to each lend-lease recipient country, the date that country was declared eligible to receive lend-lease aid and the date and place of publication of the lend-lease master, settlement, and related agreements.

This information, together with the other data included in this and earlier reports, provides a general picture of the situation with respect to each of those countries participating in the lend-lease program.

### LEND-LEASE PAYMENTS AND SETTLEMENTS

The negotiation of final settlement terms with those lend-lease recipient countries which have not settled their accounts with our Government is being pressed by the Department of State through discussions with representatives of those countries and by means of communications through diplomatic channels. Such discussions and communications have been under way at all times during the period covered by this report.

Across-the-table discussions with representatives of the U. S. S. R. were resumed on January 15, 1951, and further details on this subject are included under the heading "Current Settlement Negotiations."

The most notable progress in reaching settlements during this period was made with several of the American Republics. Colombia, Costa Rica, and Mexico signed commitments to liquidate their lend-lease obligations over reasonable periods of time. Brazil signed a supplementary settlement arrangement which amplified the earlier Settlement Arrangement of April 15, 1948. El Salvador and Chile made final payments on their accounts while Ecuador and Bolivia made payments which cleared up significant portions of their total defense-aid obligations. Pertinent details follow under each country heading.

Settlement arrangements thus far concluded with several of the American Republics have provided for payment over reasonable periods of time. Whenever practicable to do so, provisions are included in the terms of such settlements permitting the United States



to acquire local currency for its use in defraying certain expenses in the country concerned. In such settlements there is incorporated language which effectively guarantees a fair rate of exchange and assures the receipt of the real dollar value represented in each instance. General settlement terms provide a means for the disposition of all claims arising out of lend-lease programs even though the disposal of such claims may not have been specifically mentioned in the terms of settlement, thus reducing administrative effort and expense both by the United States and by its Allies of World War II.

#### BOLIVIA

Although Bolivia has made full payment of that part of its defense aid account incurred under the treaty terms of its Lend-Lease Agreement of December 6, 1941, a substantial sum still remains outstanding in a related account and efforts will continue toward working out a settlement formula covering the balance due to the United States.

#### BRAZIL

On April 19, 1950, the Government of Brazil signed the document known as "Supplement No. 1 to the Brazilian Lend-Lease Settlement Arrangement of April 15, 1948," and by doing so agreed to pay certain miscellaneous amounts arising from transactions related to the basic Lend-Lease Agreement of March 3, 1942.

#### CHILE

On April 27, 1950, the Government of Chile paid the balance due on its lend-lease account in accordance with the arrangements made in the Chilean Lend-Lease Settlement Arrangement of February 28, 1950. This payment clears up the lend-lease obligations of Chile.

#### COLOMBIA

On April 13, 1950, the Government of Colombia signed an arrangement for the liquidation of its financial obligations based on the Colombian Lend-Lease Agreement of March 17, 1942.

#### COSTA RICA

The Government of Costa Rica on October 18, 1950, signed an undertaking for the liquidation of its obligations deriving from and incurred under the terms of the Lend-Lease Agreement of January 16, 1942. The first of three payments scheduled under the arrangement was made by the Government of Costa Rica on February 27, 1951.

## ECUADOR

By a payment made on February 12, 1951, the Government of Ecuador liquidated the small balance outstanding on that part of its lend-lease account incurred under the terms of the Lend-Lease Agreement of April 6, 1942. There is another related defense-aid account still owing by Ecuador and it is expected that a satisfactory settlement may be accomplished in the near future.

## EL SALVADOR

On May 26, 1950, the Government of El Salvador, by means of a small residual payment, completed payment of its obligations for defense aid furnished under the terms of the Lend-Lease Agreement of February 2, 1942.

## MEXICO

February 24, 1951, marked the signing of the Mexican Lend-Lease Settlement Arrangement through which the entire Mexican defense-aid obligation arising from the Lend-Lease Agreement of March 18, 1943, will be liquidated over a reasonable period of time. The first payment under this commitment was made early in March.

## NICARAGUA

Efforts are being continued to reach acceptable terms of settlement of the Nicaraguan lend-lease account but, at the close of this reporting period, no significant progress had been made toward such a settlement.

## PARAGUAY

There are indications that Paraguay will shortly complete payment of the small amount still outstanding on its lend-lease account.

## PERU

Despite continued approaches to the Government of Peru seeking a settlement of its account, no mutually acceptable terms had been reached by the close of this reporting period, March 31, 1951.

## **CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS WITH THE AMERICAN REPUBLICS, CHINA, POLAND, AND THE U. S. S. R.**

### **AMERICAN REPUBLICS**

Notice should be taken of the splendid record of the American Republics in the settlement of their respective lend-lease accounts with our Government. As of March 31, 1951, the closing date of this report, of a total of 18 governments signing lend-lease agreements with the United States, 14 had either paid in full the amounts of their obligations or had signed commitments providing for payment over reasonable periods of time.

The Department of State is closely following the situations of each of the four delinquent governments and present indications are that, before long, all of our Latin-American friends will have cleared up their remaining defense-aid obligations which arose from their World War II collaboration with the United States.

### **CHINA**

The lend-lease account with China remains as one of the few major accounts still unsettled. Discussions in November of 1949 with a representative of the Chinese Government gave some promise of an early move on the part of the Chinese Government to clear up the various wartime accounts, including lend-lease, which are still outstanding between the two Governments; however, subsequent to those discussions, economic conditions in Formosa and increased military expenses for the National Government for defense measures precluded the satisfactory settlement of the lend-lease account of the National Government of China.

### **POLAND**

The United States furnished lend-lease aid to Poland amounting in value to approximately \$12,500,000, the larger part of which represents goods and services furnished before VJ-day.

Negotiations for a settlement with the Government of Poland began in 1947 and continued through 1948, in the course of which the United States proposed terms of settlement for this defense aid, intergovernmental claims and related matters. No offer of settlement has been received from the Government of Poland. Repeated formal representations made by the Department of State to the Ambassador

of Poland have elicited only an acknowledgment and a statement that our Government's note had been transmitted to the proper authorities in Poland.

The Department of State is continuing its efforts to conclude a settlement.

U. S. S. R.

The Department of State has continued its efforts to reach a long overdue settlement of the Soviet Government's lend-lease account, and also to effect the return to the United States of merchant, naval and military vessels loaned to the U. S. S. R. during the war under the lend-lease program. The question of settlement of the Soviet obligations under the Master Lend-Lease Agreement of June 11, 1942, has been the subject of discussions and communications between the Government of the United States and the Government of the U. S. S. R. since 1945. Formal settlement negotiations were first undertaken in April 1947 but the two governments had been unable to reach agreement on the major issues during 1947, 1948, and 1949. In a further effort to bring the Soviet Government to a settlement of its lend-lease obligations, the Department of State despatched a note on June 15, 1950, proposing the resumption of negotiations on or about July 15, 1950. When the Soviet Government failed to respond to this proposal, Alan G. Kirk, the United States Ambassador in Moscow, called upon Deputy Foreign Minister Andrei Gromyko on two separate occasions in order to press for a resumption of settlement negotiations. Finally, on November 24, 1950, the Soviet Government agreed to our proposal and formal negotiations were resumed on January 15, 1951. Discussions were still under way as of March 31, 1951, the end of the period covered by this report. The Department of State's Press Release No. 12, dated January 5, 1951, concerning the resumption of formal discussions is attached as exhibit A.

The current meetings have centered on three main points: (1) the amount and terms of a satisfactory financial settlement; (2) the return to the United States of all vessels loaned to the U. S. S. R.; and, (3) compensation to United States companies for the use of their patented oil refinery processes supplied to the U. S. S. R. under lend-lease and currently being used in the U. S. S. R.

On March 31, 1951, the two Governments were still far apart from agreement on the terms of a financial settlement although the gap between the figures proposed by each side had been narrowed. In seeking a settlement with the Soviet Government, the United States followed the principles of settlements already concluded with other lend-lease recipients and requested payment only for the reasonable value of civilian-type lend-lease articles remaining in Soviet custody at the end of the war. No payment has been requested for articles

lost, or destroyed or consumed in the wartime effort to defeat the common enemy. Originally, the United States proposed a settlement figure of \$1,300,000,000 as a reasonable valuation of the left-over civilian-type goods. During the course of the negotiations, this figure later was reduced to \$1,000,000,000 and, in the current negotiations, the United States delegation, on January 17, 1951, lowered the figure still further to \$800,000,000 in an effort to bring the Soviet Government to a settlement.

For its part, the Soviet Government has increased its offer by stages from \$170,000,000 to \$200,000,000 and, finally, to \$240,000,000. The latter figure was described by the Soviet Government as "final" at the opening meeting on January 15, 1951, and the Soviet delegation refused to consider any further increase in this figure despite an offer by the United States delegation at the fourth meeting on January 27 to reduce its figure from \$800,000,000 provided that the Soviet Government made a really substantial increase in its settlement figure.

Prior to the 1951 meetings the Soviet Government had returned to the United States, after repeated requests (pursuant to the provisions of article V of the Agreement of June 11, 1942), 7 war-built tankers, 1 old dry-cargo vessel, 27 frigates, and 1 icebreaker. Tentative arrangements had also been made to sell to the Soviet Government certain of the other vessels held by it on loan under lend-lease procedures, but these arrangements to sell had been clearly conditioned on the conclusion of a prompt and satisfactory over-all lend-lease settlement. As of January 15, no settlement had been reached and the Soviet Government had not given any serious indication of its desire or willingness to reach such a settlement. At the fourth meeting, held on January 27, the Soviet delegation was notified that the merchant, naval, and military vessels lend-leased to the U. S. S. R. were now of use to the United States and their immediate return was requested in accordance with article V of the Soviet Master Lend-Lease Agreement. The Department of State Press Release No. 98 dated February 28, 1951, setting forth the text of a note to the Soviet Ambassador on this subject, follows as exhibit B.

The Soviet Government took the position, which it confirmed in its note of March 21, 1951<sup>1</sup> (exhibit C), that the point at issue and the purpose of the discussions was not the "return" of the ships but solely the details of the "sale" of certain of the vessels to the U. S. S. R. The Soviet delegation endeavored to sustain this contention even though it was abundantly clear, and carefully restated to them by the United States delegation, that the previous tentative offer to sell some

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<sup>1</sup> Published in Department of State Press Release No. 257 dated April 6, 1951, together with the reply of the Secretary of State dated April 6, 1951.

of the vessels was conditioned on the conclusion of a prompt and satisfactory over-all lend-lease settlement, which condition had obviously not been met by the Soviet Government. The Soviet Government also took the position that the United States' demand was not justified in view of the large amount of merchant tonnage lying idle in the United States and in view of the transfer of United States naval vessels to other countries. The United States delegation held firmly to the position that it was for the United States Government to decide as to the disposition to be made of its own property and that the United States had a clear right to the return of the above-mentioned vessels.

Having failed to live up to its obligation to return the remaining two icebreakers, which it had expressly agreed to do on September 27, 1949, the Soviet Government, during the course of the current negotiations, alleged that these icebreakers are still ice-bound with damaged screws in the Arctic Ocean. The United States delegation continued to insist on their immediate return.

Of considerable interest to the United States business community is the obligation of the Soviet Government to compensate United States firms whose patented processes are being used by the U. S. S. R. in oil refineries supplied to it under lend-lease. As of January 15, 1951, a settlement arrangement on this point had been reached by the Soviet Government with only one of the United States claimants. Consequently, this was one of the points taken up by the United States delegation on January 15. The Soviet delegation gave assurances that it was willing to undertake the negotiation of settlements with the remaining companies, and such negotiations were started by the Soviet representatives. The Chairman of the Government Purchasing Commission of the U. S. S. R. in the United States, who also is a member of the Soviet delegation in the over-all lend-lease discussions, was authorized by the Soviet Government to conduct the patent settlement negotiations with the United States claimants and he is proceeding along such lines. As of March 31, 1951, a settlement agreement had been concluded with one additional firm, and negotiations were in progress with all but one of the remaining companies.

## EXHIBIT A

FOR THE PRESS

No. 12

DEPARTMENT OF STATE, *January 5, 1951.*

U. S.-U. S. S. R. negotiations for a settlement of the Soviet war-time lend-lease account are to be resumed in Washington on January 15, 1951, with representatives of the Soviet Government, nominated for this purpose. These discussions will deal with lend-lease matters only. The question of a settlement of Soviet obligations under the U. S.-U. S. S. R. Master Lend-Lease Agreement of June 11, 1942, has been a subject of discussion between the two Governments since 1945. Formal settlement negotiations were first undertaken in April 1947.

The forthcoming talks result from a United States note of June 15, 1950, to the Soviet Government, suggesting the resumption of negotiations in a further effort to reach a long-overdue settlement of this lend-lease account.

The main problems to be dealt with are:

(1) The amount, and terms of payment, for the reimbursable portion of wartime lend-lease aid from the United States to the Soviet Union. This reimbursable portion does not include articles lost, destroyed, or consumed in the common war effort. It thus comprises only a small part of the total of approximately 11 billion dollars worth of lend-lease aid from the United States to the Soviet Union.

(2) The disposition of naval and merchant vessels loaned to the U. S. S. R. which are subject to return to the United States on request. After the Soviet authorities failed for 2 years to comply with requests for return of certain vessels, the United States on October 7, 1948, formally demanded the return of 3 icebreakers, 28 frigates, and 186 units of other types, mainly small craft. To date, the U. S. S. R. has returned the frigates and one icebreaker, but has failed to comply with the request for the other vessels.

(3) Compensation to United States firms for the use of their patented oil refinery processes supplied to the U. S. S. R. under lend-lease. To date, the U. S. S. R. has reached agreement with only one of the seven interested United States firms.

## EXHIBIT B

FOR THE PRESS

No. 98

DEPARTMENT OF STATE, *February 8, 1951.*

The following is the text of a note from the Honorable Dean Acheson, Secretary of State, to His Excellency Alexander S. Panyushkin, Ambassador of the Union of Soviet Socialist Republics:

FEBRUARY 7, 1951.

His Excellency ALEXANDER S. PANYUSHKIN,  
*Ambassador of the Union of Soviet Socialist Republics.*

EXCELLENCY: I have the honor to refer to article V of the Master Lend-Lease Agreement of June 11, 1942, between the Governments of the United States and the Union of Soviet Socialist Republics which provides that:

"The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the emergency, as determined by the President of the United States of America, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America."

On July 7, 1948, the President of the United States of America determined that the emergency relative to the lend-lease program referred to in the provisions of the master lend-lease agreements between the United States and various lend-lease countries had terminated.

I have the honor to confirm herewith the statement made by Ambassador John C. Wiley during the lend-lease settlement discussions on January 27, 1951, that the President of the United States of America has determined that certain defense articles are of use to the United States, namely all the naval and merchant vessels and military watercraft which were transferred to the Government of the Union of Soviet Socialist Republics under the Lend-Lease Agreement of June 11, 1942, and which have not been heretofore returned to the United States. This will also confirm the request made by Ambassador Wiley on January 27, 1951, as directed by the President of the United States, that the Government of the Union of Soviet Socialist Republics immediately return to the United States these defense articles in accordance with article V of the Master Lend-Lease Agreement of June 11, 1942. A list of these vessels by category is attached hereto.

It is further requested that representatives of the United States Government be permitted to examine all unserviceable vessels in order to determine the ultimate disposition of these vessels.

The Government of the United States expects that the Soviet naval experts now in the United States will promptly make arrangements with American naval experts for the immediate return of the vessels referred to above.

The Government of the United States reserves its rights under article V of



## 10 32D REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

the Master Lend-Lease Agreement of June 11, 1942, to demand the return to the United States, under the provision of this article, of such other lend-lease articles as may be determined to be of use to the United States.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON.

### Enclosure :

List of vessels by category.

#### Naval vessels :

- 15 River tugs.
- 2 Icebreakers.
- 34 Large minesweepers.
- 30 Landing craft, infantry.
- 54 Landing craft, mechanized.
- 2 Landing craft, support.
- 17 Landing craft, tank.
- 2 Landing craft, vehicle and personnel.
- 1 Motor launch.
- 1 Plane personnel boat.
- 6 Pontoon barges.
- 205 Motor torpedo boats.
- 140 Submarine chasers.
- 43 Minesweepers, YMS.
- 4 Repair barges.

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#### Merchant vessels :

- 36 War-built ships, Liberty—dry cargo.
- 2 War-built tugs.
- 47 Prewar-built ships—dry cargo.
- 1 Prewar-built tanker.
- 1 Prewar-built tug.

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87

#### Military watercraft :

- 9 Tankers, 182 feet.
- 1 Freight vessel.
- 2 Machine barges.
- 17 Crane barges.

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## EXHIBIT C

FOR THE PRESS

No. 257

DEPARTMENT OF STATE, *April 6, 1951.*

Following is an exchange of notes between the Secretary of State and the Soviet Ambassador to Washington concerning the request of the United States Government of February 7, 1951, that the Government of the Union of Soviet Socialist Republics promptly return to the United States all vessels loaned to the Union of Soviet Socialist Republics under the terms of the Master Lend-Lease Agreement of June 11, 1942:

### UNITED STATES NOTE OF APRIL 6

His Excellency ALEXANDER S. PANYUSHKIN,

*Ambassador of the Union of Soviet Socialist Republics.*

EXCELLENCY: I have the honor to refer to your note No. 22 of March 21, 1951, concerning this Government's request of February 7, 1951, that the Government of the Union of Soviet Socialist Republics promptly return to the United States all vessels loaned to the Soviet Union under the terms of the Master Lend-Lease Agreement of June 11, 1942.

In your note you declare that agreement had already been reached between our two Governments for the sale to the Soviet Union of all the merchant ships and part of the naval ships received under lend-lease and that this Government's note of February 7, 1951, "violates" this agreement.

By "agreement" it is presumed that you have reference to this Government's notes of February 27, 1948, September 3, 1948, and August 8, 1949, which dealt with the disposition of lend-lease vessels.

With respect to the 36 war-built merchant vessels this Government's note of February 27, 1948, stated:

"The agreement of your Government concerning these vessels resolves tentatively one of the several points necessary to a satisfactory comprehensive settlement of the obligations under the agreement between our two Governments of June 11, 1942.

"\* \* \* Your attention is invited to the fact that at the first meeting of the working groups on May 3, 1947, United States Representatives stated that since the object of the negotiations was to achieve a satisfactory comprehensive settlement, agreement reached on any particular subject was tentative and subject to agreement on all issues necessary to a general settlement. The Soviet representatives indicated their concurrence. Accordingly, the first paragraph of the "Outline of Main Points of Settlement Proposed by the United States

Side" in keeping with the above-mentioned understandings reached by the representatives of our two Governments on May 3, 1947, reads in part as follows: "As both sides have understood from the outset, the reaching of agreement upon any one issue is tentative and subject to the conclusion of a satisfactory comprehensive settlement."

With respect to prewar-built merchant vessels and tugs, this Government's note of August 8, 1949, stated in part:

"The Government of the United States considers this amount (\$13,000,000) satisfactory as the cash price for the sale of the vessels, effective as of September 2, 1945, it being understood that the sale will be consummated only upon conclusion of the over-all lend-lease settlement. Agreement on this point resolves satisfactorily another of the several points of a comprehensive settlement, but the Government of the United States will continue to reserve its rights under article V of the agreement of June 11, 1942, to require the return to the United States of the prewar-built merchant vessels and the tugs as well as other lend-lease articles until such time as a mutually satisfactory over-all settlement agreement is reached."

With respect to naval vessels, this Government's note of September 3, 1948 stated in part:

"Provided a mutually satisfactory lend-lease settlement is promptly agreed upon by our two Governments, the Government of the United States is willing, at agreed prices, to sell to the Soviet Government as a part of such settlement and in accordance with the surplus property procedures outlined to representatives of your Government on June 25, 1947, the following naval craft \* \* \*."

Moreover, on other occasions this Government has made perfectly clear to the Soviet Government its position concerning the disposition of lend-lease vessels. In this Government's note of May 7, 1948, which referred to the conditional nature of the agreement concerning war-built merchant ships as set forth in this Government's note of February 27, 1948, it was stated:

"\* \* \* the position of the Government of the United States is that, if a comprehensive lend-lease settlement is not concluded promptly, the Government of the United States under article V of the Agreement of June 11, 1942, will require the return to the United States of the lend-lease merchant vessels now remaining in the possession of your government."

In this Government's note of September 3, 1948, in connection with the need for a prompt and satisfactory settlement, it was stated:

"Therefore, notwithstanding certain offers which this Government has made in connection with its settlement proposals, unless a mutually satisfactory settlement is promptly agreed upon by our two Governments, this Government will have no alternative but to withdraw its offers to transfer full title to certain lend-lease articles to the Government of the Union of Soviet Socialist Republics and will be obliged to exercise its rights under article V of the Agreement of June 11, 1942, by requiring the return of such articles to the United States. This is particularly applicable to all merchant and naval vessels. It applies also to military vessels and to certain other lend-lease articles which would be of use to the United States."

From the above it is clear that the "agreement" referred to in your note of March 21, 1951, consists of a series of tentative offers by the Government of the United States which have been explicitly conditioned upon the conclusion of a prompt and satisfactory lend-lease settlement. In the current conversations on the subject of a lend-lease settlement, Ambassador John C. Wiley has repeatedly called to your attention the fact that the Soviet Government by

avoiding the reaching of a prompt and satisfactory over-all settlement clearly has failed to meet the conditions for the sale of any of these vessels. Therefore, this Government is free to withdraw its conditional offer to sell such vessels and this was done in this Government's note of February 7, 1951.

Your note of March 21, 1951, advances as a second reason for not returning lend-lease vessels the argument that the vessels are not needed by the United States. Article V of the Master Lend-Lease Agreement of June 11, 1942, is clear and specific on this point, reading as follows:

"The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America."

This article places upon the President of the United States alone the responsibility for the determination of the usefulness of lend-lease articles to the United States. The point raised in your note of March 21, 1951, that certain vessels of the United States may have been disposed of to third countries bears no relationship to the obligations of your Government under article V and is not subject to discussion between our two Governments.

On July 7, 1948, the President of the United States of America determined that the emergency relative to the lend-lease program had been terminated and the Government of the Union of Soviet Socialist Republics was so notified on October 7, 1948. On this date the Soviet Government was also notified of the determination by the President of the United States that 3 icebreakers, 28 frigates, and 186 other naval craft were of use to the United States and their return was demanded. The Soviet Government has returned only the frigates and one icebreaker. On February 7, 1951, the Government of the Union of Soviet Socialist Republics was informed that the President of the United States of America had determined that all merchant, military and naval lend-lease vessels remaining in Soviet custody are of use to the United States and the prompt return of these vessels was duly demanded. Therefore, the obligation of the Soviet Government to return the vessels listed in this Government's note of February 7, 1951, is clear and unequivocal.

With reference to the statement in your note of March 21, 1951, that United States naval vessels in Soviet custody are "badly worn out and for the most part unfit for navigation in the open sea," I wish to emphasize that title to these vessels remains in the Government of the United States regardless of their condition. I therefore repeat the request made in this Government's note of February 7, 1951, that representatives of the Government of the United States be permitted to examine all unserviceable vessels in order to determine their ultimate disposition.

The demand presented in this Government's note of February 7, 1951, that the Government of the Union of Soviet Socialist Republics immediately return to the Government of the United States all the naval and merchant vessels as well as military watercraft which were transferred to it under the Master Lend-Lease Agreement of June 11, 1942, is hereby reiterated.

A prompt reply is requested in order that the necessary arrangements for return may be promptly agreed upon with the Soviet naval expert now in Washington.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON.

SOVIET NOTE OF MARCH 21

WASHINGTON, March 21, 1951.

Mr. DEAN ACHESON,

*Secretary of State of the United States of America.*

SIR: In connection with your note delivered to me on February 7, 1951, by Mr. Wiley during the negotiations on the question of a lend-lease settlement, I have the honor to state the following:

As you know, by agreement between the Governments of the U. S. S. R. and the U. S. A. negotiations were renewed in Washington on January 15 this year between representatives of both Governments for settling all lend-lease accounts. Prior to that time agreement had already been reached between the Governments of the U. S. S. R. and the U. S. A. on several specific questions of the lend-lease settlement, and several other specific questions remained to be agreed upon in order to complete the negotiations and to conclude an agreement for a final and total settlement. In particular, an agreement was reached concerning the sale to the Soviet Union of all the merchant ships and part of the naval ships received under lend-lease. With regard to merchant ships, an agreement was also reached about sale prices and that the value of all merchant ships of prewar construction would be paid for in cash. It is important to note that the agreement concerning the sale of merchant ships to the Soviet Union was reached long before the expiration of the act of 1946 concerning the sale of merchant ships. As concerns the naval vessels, it is well known that the Government of the U. S. S. R., in view of the agreement which had been reached earlier, sent a naval expert to Washington at the suggestion of the Government of the U. S. A., proceeding on the basis that the American and Soviet experts would discuss the conditions of the sale of naval vessels to the Soviet Union.

The proposal for the immediate return of all merchant and naval vessels, made by the Government of the U. S. A. in your note of February 7 of this year, violates the agreement already reached between the Governments of the U. S. S. R. and the U. S. A. during the negotiations on lend-lease.

The United States Government attempts to justify its violation of the agreement concerning the sale to the Soviet Union of all merchant vessels and part of the naval vessels by referring to article 5 of the Lend-Lease Agreement of June 11, 1942, which stipulates the possibility of the return of lend-lease residue at the determination of the President of the United States. However, in this case the question concerns solely the fulfillment by the Government of the U. S. A. of an agreement which had been reached after the conclusion of the Agreement of June 11, 1942, and which fully corresponds to the principles and tasks of this agreement, which provides for the necessity of guaranteeing the interests of both sides in the final lend-lease settlement.

It is necessary to note that the Government of the U. S. A. motivates its proposal, concerning the return of the merchant and naval vessels received by the Soviet Union under lend-lease, by the fact that the United States has need of these vessels at the present time. This motivation cannot but cause surprise.

The United States demands the return by the Soviet Union of an insignificant number of merchant vessels while according to the report of the Senate Commission of August 30, 1950, No. 2494, three-fifths of all tonnage or more than 15 million gross tons of the United States merchant fleet are not being used and are moored inactive at piers.

The United States also demands the return by the Soviet Union of an insignificant number of small naval vessels badly worn out and for the most part unfit for navigation in the open sea. Meanwhile it is well known that the United States has sold and transferred several naval vessels to other countries. Thus,

according to data of the United States Department of Defense published in a press release of January 9, 1951, two light cruisers were sold to Brazil and Chile; according to reports in the American press, destroyer escorts, submarines, and other naval vessels were sold to Turkey, Greece, France, and other countries. Altogether, according to data published in the United States, 26 large naval vessels were sold to other countries in 1950 and 1951, not to mention a considerable number of small naval vessels. With regard to the sale of merchant vessels, as can be seen from data published on January 18 of this year in the American press the United States has sold 1,113 American vessels of wartime construction to foreign purchasers.

It is also known that during the lend-lease settlement with Great Britain, the Government of the U. S. A. sold vessels, along with other lend-lease residual items, to the Government of Great Britain, as is witnessed by the report of the Senate Commission of March 22, 1946, No. 110, section V.

Thus the reference in your note to the fact that the United States needs merchant and naval vessels appears to have an artificial character and therefore cannot serve as a basis for presenting the Soviet Union with a demand to return all lend-lease vessels. Such a demand does not conform to the principles of the Lend-Lease Agreement, which provides, as is well known, an obligation to consider the interests of both sides and not to act unilaterally and to the harm of these interests.

The Soviet Government also considers it necessary to draw the attention of the Government of the U. S. A. to the fact that the number of lend-lease naval vessels indicated in the supplement to your note of February 7 does not correspond to the actual number of such vessels in the possession of the Soviet Union. The total number of available lend-lease naval vessels in the U. S. S. R. is 498, not counting 2 icebreakers. The remaining 56 vessels were lost during military operations and for other reasons. On June 25, 1948, the Soviet Government, as is known, reported the existence in the U. S. S. R. of 518 naval vessels, consisting mainly of cutters, minesweepers and other small vessels, without mentioning the remaining vessels which were lost during the war.

In its note of reply of September 3, 1948, the Government of the U. S. A. correctly listed 36 vessels as lost or destroyed. As concerns 20 vessels, I reported their loss to Mr. Wiley during the negotiations on January 27 of this year. During the negotiations on February 7, additional information concerning lend-lease naval vessels now in the U. S. S. R. was given to Mr. Wiley.

The Soviet Government expresses confidence that the Government of the U. S. A. will adhere to the agreement previously reached concerning merchant and naval vessels, which is an important condition in reaching a lend-lease settlement.

Accept, Sir, the assurances of my highest consideration.

A. PANYUSHKIN.

## PORT PROJECT AT MONROVIA, LIBERIA

The port of Monrovia, Liberia, which was constructed with lend-lease funds under an agreement with the Government of Liberia, has been in operation since July 1948. The completion of the access roads and bridge, authorized expressly in Public Law 519, Eightieth Congress,<sup>1</sup> was accomplished at that time. Present indications are that the port will be a lucrative enterprise.

The Department of State is following developments closely as the United States will have a continuing interest in this project because the lend-lease investment is to be repaid out of the net proceeds of the port.

Operations are being directed by the Monrovia Port Management Co., a Delaware corporation, comprised of the Government of Liberia and United States business interests operating in Liberia. In furtherance of its efforts to administer properly this important lend-lease project, representatives of the Department of State have scheduled a meeting in April 1951 with the board of directors of the Port Management Co. at the New York headquarters of the company.

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<sup>1</sup> PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

62 Stat. 227

### GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

Approved May 10, 1948.

## CONCLUSION

The Twenty-ninth Report to Congress on Lend-Lease Operations contained the last comprehensive over-all report on lend-lease fiscal operations prepared by the Treasury Department. In the interest of economy such voluminous reports are no longer being put into form for publication although all records and accounts are, of course, being maintained on a current basis.

Included in this report, as appendix I, are data furnished by the Treasury Department, which bring the figures in the statements up to March 31, 1951. These data should satisfy the normal requirements of students, research analysts, and others interested in the fiscal aspects of World War II lend-lease programs.

Following a "Status of Nations" report, as appendix II, there is republished, as appendix III, the text of the Lend-Lease Act of March 11, 1941, and amendments thereto; then, as appendix IV, there is presented a report of funds made available for lend-lease, and, finally, as appendix V, there is given a general definition of the termination date of lend-lease.

With the passage of time some of the underlying principles and objectives of World War II lend-lease aid may have been lost sight of. In the light of certain of our present day problems the following quotations from a Special Report to the Seventy-eighth Congress on Lend-Lease Operations, submitted on January 23, 1943, and pointing up some of these basic principles and objectives, might now well be remembered:

Under the Act, the President is authorized by Congress "in the interest of national defense" to procure and provide "defense articles" and "defense information" for the government of any country whose defense he deems "vital to the defense of the United States" \* \* \* Lend-lease is not a loan of money. Nor has it ever been an act of charity.

It was in our interest that the flow of weapons and other supplies furnished to promote the defense of the United States should not be interrupted by a lack of dollar exchange.

Since aid was being furnished in our own defense and it was important to avoid the international debt experience of the last war [World War I], payment might be in kind or property or other benefits, rather than in dollars.

Article II of each [master] agreement provides that the government concerned "will continue to contribute to the defense of the United States of America and the strengthening thereof," in addition to providing "such articles, services, facilities or information as it may be in a position to supply."



Article VII \* \* \* provides that in the final settlement the terms shall be such as to promote the economic objectives of the Atlantic Charter. It pledges each of the signatories to work with all other countries of like mind, for "the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and employment of goods, which are the material foundations of the liberty and welfare of all peoples."

Through its unswerving faith in the ideal, through its unified all-out national effort, and with the cooperation of its allies, the United States of America, by virtue of the unselfish principles of Lend-Lease, played its vital and historic role which led to victory in 1945.

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## **APPENDIXES**

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## APPENDIX 1

### LEND-LEASE FISCAL OPERATIONS

The Treasury Department, pursuant to Executive Order 9726 of May 17, 1946, is responsible for the preparation and publication of relevant fiscal data relating to lend-lease operations. The last previous report in comprehensive form was included in the Twenty-ninth Report to Congress on Lend-Lease Operations covering the period ending June 30, 1949.

On the following pages, identified as appendixes I (a), I (b) and I (c), are revised statements reflecting changes which have taken place up to and including March 31, 1951, under the three titles which embrace the principal information and data concerned with the subject matter.

## APPENDIX I(a)

## Summary statement of defense aid provided, cumulative through Mar. 31, 1951

SOURCE OF FUNDS	
From appropriations to:	
Lend-Lease Administration appropriation-----	\$25, 131, 436, 735. 49
Less: Obligations in excess of reports of defense aid provided-----	26, 643, 521. 88
	\$25, 104, 793, 213. 61
Department of the Army appropriations-----	19, 537, 061, 772. 49
Department of the Navy appropriations-----	4, 757, 623, 070. 76
Maritime (W. S. A.) appropriations-----	620, 647, 410. 38
From foreign government funds-----	\$221, 503, 783. 49
Less: Obligations in excess of reports of defense aid provided-----	
	1 221, 503, 783. 49
From reissues of returned lend-lease articles-----	1, 042, 394. 71
Total-----	\$50, 242, 671, 645. 44
DEFENSE AID PROVIDED	
Charged to foreign governments:	
Materials-----	\$44, 723, 674, 156. 44
Services and other expenses-----	3, 519, 568, 196. 22
Aid furnished through commanding generals-----	690, 998, 139. 86
	48, 934, 240, 492. 52
Not charged to foreign governments:	
Construction in United States to facilitate lend-lease-----	720, 803, 118. 11
Administrative expenses-----	40, 113, 026. 92
Losses on inventories and facilities-----	31, 172, 831. 39
Miscellaneous charges-----	516, 342, 176. 50
	1, 308, 431, 152. 92
Total aid provided-----	50, 242, 671, 645. 44

<sup>1</sup> In addition, the foreign governments have paid approximately \$950 million to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the General Fund of the Treasury.

APPENDIX I (b)

Statement of defense aid provided by country and by appropriation category, cumulative through Mar. 31, 1951

	Total	Ordnance and ordnance stores	Aircraft and aerospace material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconstruction, and defense articles	Services and expenses	Administrative expenses
CHARGED TO FOREIGN GOVERNMENTS											
American Republics:											
Bolivia.....	85,123,917.51	8144,489.07	84,325,240.94	878,376.65	817.19	8620,373.57	8262,498.18	870,986.37		821,026.53	
Brazil.....	361,263,696.96	42,235,013.21	80,392,884.99	55,911,193.77	82,522,923.13	38,670,242.52	7,730,042.15	29,155,951.12	83,604,873.28	12,670,938.81	
Canada.....	53,244,695.65	7,790,632.51	8,380,245.17	2,932,512.16	1,432,892.51	885,995.91	686,388.86	358,198.78		67,318.91	
Colombia.....	8,299,466.18	294,653.95	1,841,176.72	818,268.68	637,496.39	979,712.11		194,144.91		497,669.61	
Costa Rica.....	156,280.15	34,422.94		53,540.81		66,117.69		571.55	882,616.70	1,678.42	
Cuba.....	4,111,260.18	877,428.55	1,568,255.42	2,037,405.87			5,555.84			27,668.49	
Dominican Republic.....	1,617,267.10	138,568.46	460,742.63	231,269.91	382,541.69			7,664.40	980.30	4,869.77	
Ecuador.....	7,517,267.10	418,415.12	1,265,052.65	885,762.79	1,265,052.65			10,771.62	258,286.10	44,566.25	
Guatemala.....	5,666,626.02	731,968.27	1,715,701.09	872,884.72	181,825.28	664,669.86	8,281.60	10,724.54		41,268.59	
Haiti.....	1,453,147.25	26,784.52	359,129.47	145,346.49	174,999.03				2,525.27	2,010.70	
Nicaragua.....	857,169.26	46,622.49	495,228.31	135,658.36	13,446.75				126,195.84	11,523.56	
Panama.....	39,270,246.29	7,980,616.76	16,076,845.52	3,683,211.17	3,289,329.60	2,612,843.51	555,059.66	1,459,614.28	2,692,685.03	1,972,941.66	
Paraguay.....	847,169.26	46,622.49	495,228.31	135,658.36	13,446.75						
Peru.....	1,954,445.83	136,758.36	947,435.84	299,892.67	4,485,622.15	128,481.32		500.32		23,232.51	
Salvador.....	18,198,115.82	2,617,689.30	6,225,995.86	4,551,694.66	4,340,962.54	1,712,888.90	1,325,946.11	486,166.70	52,141.57	98,384.69	
Uruguay.....	678,273.90	186,114.69	422,969.02	259,695.04	19,928.18			1,851.90		8,547.65	
Venezuela.....	7,182,290.04	1,189,089.54	1,717,705.60	1,680,906.11	1,545,891.05	660,666.77	10,456.52		15,894.20	20,444.61	
Venezuela.....	4,528,492.62	668,835.74	1,561,210.67	777,341.82	789,864.24	517,293.04		881.15	183,114.47	26,931.49	
Total, American Republics.....	493,021,947.22	65,364,338.94	141,404,194.86	70,352,765.93	98,537,647.23	56,768,669.57	10,799,798.91	32,367,286.36	8,897,376.33	14,576,777.10	
Other governments:											
Belgium.....	156,254,419.40	564,683.22	765,815.99	15,903,306.49	16,667,330.93	17,971,358.42	18,315.36	191,810,074.00		61.82	
British Empire.....	31,610,815,266.13	3,969,973,487.03	6,426,011,811.45	3,464,128,139.39	3,464,128,139.39	2,161,263,371.34	9,440,806,697.91	425,404,741.93		213,384.16	
China.....	1,637,770,712.02	277,045,159.07	231,023,454.37	196,681,222.79	85,201,906.69	101,441,588.35	9,966,022.07	266,722.01		607,216,339.39	
Czechoslovakia.....	4,459,465.02		220,000.00	20,824.61		20,824.61				17,263.90	
Egypt.....	2,459,465.02	5,447.30		1,460,477.79		9,986.56		610,667.05		192,613.07	
El Salvador.....	5,151,180.99	354,284.68	121,299.73	265,190.60		69,393.94		4,336,316.45		5,174.69	
France and possessions.....	3,209,506,471.02	285,016,678.18	342,729,816.64	428,622,124.56	298,795,237.67	651,926,431.64	2,348,150.75	1,199,118,741.52	61,661,558.71	97,960,213.39	
Greece.....	81,459,112.36	4,627,568.26		336,162.89	37,335,728.68	26,637.43		38,556,775.85	162,232.17	263,150.89	
India.....	4,862,615.71		186,111.95		87,335,728.68	26,637.43		38,556,775.85	162,232.17	263,150.89	
Indonesia.....	5,303,624.15	42,786.42		2,362,117.89		2,362,086.01	13,197.07	808,265.57		119,201.72	
Italy.....	186,271,478.47	135,711.90		1,811,862.37	51,200,839.05	182,038.75		132,510,238.00		967,365.14	
Japan.....	18,136,135.00	2,537.46		2,537.46	63,125.00					17,661,786.54	
Netherlands and possessions.....	17,004,452.27	1,457,689.69	75,788,888.27	15,832,882.49	11,454,452.49	11,454,452.49		191,845,166.66	4,121,688.40	2,431,266.56	
Norway.....	47,004,452.27	1,457,689.69	75,788,888.27	15,832,882.49	11,454,452.49	11,454,452.49		191,845,166.66	4,121,688.40	2,431,266.56	
U. S. & P. R.....	11,654,449,197.21	782,768,484.44	1,530,180,000.89	1,767,352,632.60	1,268,452,729.24	794,580,065.29	542,788,473.61	4,165,626,708.28	115,069,208.28	75,624,875.61	
South Arabia.....	22,570,136.66	710,867.60		1,006,630.58		1,006,630.58		8,814,745.62		4,897,837.90	
Turkey.....	42,550,627.19	24,127,531.41	1,611,870.02	4,261,189.42	771,321.12			8,129,869.90		368,777.92	
Yugoslavia.....	22,136,847.52	1,060,684.41	102,181.42	3,174,170.74	5,824,440.25	5,968,014.58		14,540,199.05		358,355.44	
Total, other governments.....	48,441,218,545.36	4,461,415,868.13	8,621,092,904.20	6,248,348,494.37	7,280,761,837.93	3,895,007,016.93	923,027,306.62	15,241,069,239.03	630,591,132.17	1,231,890,246.90	
Total, charged to foreign governments.....	48,934,240,492.52	4,526,780,195.07	8,762,497,099.05	6,315,695,760.30	7,279,299,183.18	3,856,775,086.50	933,827,105.53	15,273,476,525.39	630,428,508.49	1,246,461,023.00	
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS											
Less on inventories.....	31,172,831.39							31,172,831.39			
Production facilities.....	720,803,118.11							719,693,160.95		2,109,957.92	
Miscellaneous.....	61,113,608.92	5,054,847.39	376,272.59	4,817,832.27	140,444,780.69	7,928,813.77		262,737,308.69	28,196,505.47	61,719,537.58	
Administrative expenses.....											
Total, not distributed by foreign governments.....	1,398,431,152.92	9,054,847.39	376,272.59	4,817,832.27	140,444,780.69	7,928,813.77		714,765,897.34	298,910,148.08	28,196,505.47	
Grand total.....	50,242,671,645.44	4,535,835,042.46	8,762,873,371.65	6,320,513,612.57	7,319,743,963.27	3,864,703,900.27	1,648,393,092.87	15,967,286,665.47	662,625,013.90	1,274,657,528.47	

\* Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pp. 8 and 9.

† Transfers were made pursuant to arrangements described in the Twenty-third Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.



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Annexure I (c)										
Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1965, through Mar. 31, 1951										
	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Trucks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Training, reconditioning, etc., of defense articles	Services and expenses
CHARGED TO FOREIGN GOVERNMENTS										
American Republics:	5441,733.15	8111,584.15	881,376.59	63,515,407.07	5131,789.16	57,774.29	51,272,225.81			277,490.93
Bolivia.....	6,152,056.99	5917,516.00	155,548.71							191.50
Brazil.....	410,411.59	29,864.74	181,581.29	70,630.75	18,499.02	5,299.89	15,463.29			127.00
Chile.....	12,578.16	201.54	6,308.09	2,813.89			10,109.00			35.00
Colombia.....	19,405.59		16,221.15	10,445.01						
Cuba.....	27,509.16			3,783.34			25,391.98			551.50
Dominican Republic.....	911,117.13			518,953.41			31.39			672.00
Ecuador.....	1,347,497.05	96,497.87	1,211,176.32				39,727.86			18,833.51
Guatemala.....	6,458.88		6,020.09				2,152.89			114.00
Haiti.....	598,385.45	1,492.19	73,237.13	511.46	55,377.89	12,432.11	439,469.22			2,470.00
Nicaragua.....	144.00									2,408.13
Panama.....	2,379.00		50,238.59	30,795.29	127,350.45	2,618.87	18,482.39	15,718.15		90.00
Peru.....	258,133.89	4,963.91						1,661.00		109.00
Uruguay.....	11,061.06									139.00
Venezuela.....	11,609.76									253,317.37
Total, American Republics.....	10,430,200.89	1,154,612.81	2,372,832.80	815,651.15	3,793,207.16	262,129.15	31,576.18	1,749,793.94		6,129.98
Other governments:	537,017,597.51	748,515.36	2,806,605.03	12,917,692.12	8,184,216.53	57,015,149.66				4,778,208.59
British Empire.....	537,017,597.51	748,515.36	2,806,605.03	12,917,692.12	8,184,216.53	57,015,149.66				4,778,208.59
China.....	752,452,451.14	129,711,961.13	61,065,091.63	99,285,395.07	49,546,612.57	104,494,464.59	36,198.71	27,018,728.21	2,238.88	335,900,919.52
Czechoslovakia.....	1,000.10									865.47
Denmark.....	4,900,418.71									60,251.12
Egypt.....	421,601,225.49	608,162.47	3,700,377.15	11,091,766.38	61,075,748.99	28,714,420.77	1,240.42	318,335,571.23		260,013.98
France and possessions.....	6,967,117.89			9,970,170.09				80,941.69		7,478.59
Germany.....	27,521.76							27,521.76		211.00
India.....	125,601,794.42		1,220,384.05	48,200,389.85	76,514.35		84,131,368.07			14,067,686.31
Iran.....	18,407,590.31			18,125,590.49						8,517.00
Netherlands and possessions.....	78,181,772.25	4,789,949.46	1,127,354.50	18,125,590.49	8,430,388.15		46,840,245.45			49,915.00
Norway.....	6,444,580.23	261.14	221,368.56		70,481.76	28,991.64		5,876,831.17		6,135.06
U. S. S. R.....	370,179,007.67	250,612.25	15,781.62	2,811,260.28	21,127,806.01	8,916,489.01	7,495,239.79	238,695,521.28		19,206.83
Saudi Arabia.....	4,467,731.95							4,467,622.89		109.00
Turkey.....	75,528.96			18.52			9,442.96			15,813.17
Yugoslavia.....	75,509.66									2,501.30
Total, other governments.....	2,248,465,733.22	130,880,468.80	51,741,501.29	128,738,561.03	281,157,096.06	172,053,641.89	7,558,895.65	1,110,675,188.77	473,195.68	355,989,248.45
Total, charged to foreign governments.....	2,259,695,934.11	131,035,081.61	54,114,354.09	129,551,212.18	284,950,303.82	172,315,771.04	7,588,472.13	1,121,424,982.71	473,195.68	356,242,055.82
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS										
Losses on inventories and facilities.....	21,832,308.50							21,832,308.50		
Miscellaneous charges.....	37,138,801.82	315.56	236,685.59	69,001,928.11	1,317,883.21			26,435,681.22		110,308.28
Total, not distributed by foreign governments.....	119,046,100.32	315.56	236,685.59	69,001,928.11	1,317,883.21			48,268,279.72		110,308.28
Gross total.....	2,378,742,034.43	131,035,397.17	54,114,589.69	129,850,897.68	286,268,187.03	173,633,654.25	7,588,472.13	1,169,711,262.43	473,195.68	356,352,364.10

<sup>1</sup> Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pp. 8 and 9.

<sup>2</sup> Transfers were made pursuant to arrangements described in the Twenty-third Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.







## APPENDIX II

### STATUS OF NATIONS

On the following pages there is a table which shows the status of each nation with respect to its lend-lease and related agreements, the documents in which published agreements may be found, and other relevant data.

A table also entitled "Status of Nations" appeared in earlier issues of the Report to Congress on Lend-Lease Operations, giving the dates of the signing of reciprocal aid agreements where agreements of that type were made, and the date on which each government signed the Declaration by United Nations of January 1, 1942 (not to be confused with the Charter of the United Nations signed in San Francisco in 1945).

The table now set forth refers to lend-lease settlements and related agreements concluded up to March 31, 1951. Many of the agreements noted have been published in the documents listed in the table.

To obtain the latest available information on published documents, reference should be made to "United States Treaty Developments," a loose-leaf publication issued by the Department of State and expanded with supplementary sheets showing the date of each treaty or other agreement, its substance, statutory authority, where published, whether modified, amended, expired or renewed, or other pertinent information.

## STATUS OF NATIONS

## KEY TO ABBREVIATIONS

L-L Rpt.—Report to Congress on Lend-Lease Operations.  
 TIAS—Treaties and Other International Acts Series (published by Department of State).  
 EAS—Executive Agreement Series (published by Department of State).  
 Stat.—United States Statutes-at-Large.

*Lend-lease and related agreements*

[As of Mar. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt. p. 24; EAS 271; 56 Stat. 1608	June 7, 1946	23d L-L Rpt., p. 50; TIAS 1533; 60 Stat. 1707.	Mar. 8, 1945	Marine Transportation and Litigation, EAS 467; 59 Stat. 1499.
Belgium.....	June 13, 1941	June 16, 1942	EAS 254; 56 Stat. 1504	Sept. 24, 1946	23d L-L Rpt., p. 61; TIAS 2064.	Jan. 30, 1943	Reciprocal Aid, EAS 313; 57 Stat. 920.
						Aug. 4, 1943	Acts of United States Armed Forces in Belgian Congo, EAS 305; 58 Stat. 1315.
						Apr. 19, 1945	Reciprocal Aid, EAS 481; 59 Stat. 1642.
						May 19, 1945	Section 3 (c) Agreement, 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941	-----	Nov. 23, 1947	Arrangement reached for full settlement within the basic terms of the Lend-Lease Agreement of Dec. 6, 1941.		
Brazil.....	-----do-----	Mar. 3, 1942	-----	Apr. 15, 1948	Arrangement reached for full settlement within the basic terms of the Lend-Lease Agreement of Mar. 3, 1942.	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1707.
				Apr. 19, 1950	Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to the Lend-Lease Agreement of Mar. 3, 1942.		

Burma.....					Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947. Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Canada.....	Nov. 11, 1941	Nov. 30, 1942	By exchange of notes, accepted principles of art. VII of United Kingdom Lend-Lease Agreement.	Mar. 14, 1949	May 26, 1943	Exchange of notes (for cash purchases); 28th L-L Rpt., p. 13; TIAS 1925.
Chile.....	May 6, 1941	Mar. 2, 1943		Feb. 28, 1950	Nov. 11, 1943	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 2, 1943.
China.....	do.....	June 2, 1942	5th L-L Rpt., p. 306; EAS 251; 56 Stat. 1494.		Nov. 15, 1946	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301. Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1582; 61 Stat. (3) 2520.
Colombia.....	do.....	Mar. 17, 1942		Apr. 13, 1950	May 21, 1943	Acts of Armed Forces, EAS 360; 57 Stat. 1428.
Costa Rica.....	do.....	Jan. 16, 1942		Oct. 18, 1950	June 14, 1946	Pipeline Agreement, 23d L-L Rpt., p. 69; TIAS 1533; 60 Stat. 1760.
Cuba.....	do.....	Nov. 7, 1941		July 23, 1947	June 23, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. (4) 3395.
Czechoslovakia.....	Jan. 6, 1942	July 11, 1942	EAS 261; 56 Stat. 1562	Sept. 16, 1948		
Dominican Republic.....	May 6, 1941	Aug. 2, 1941	(Supplement)	Apr. 26, 1949		
Ecuador.....	do.....	Apr. 6, 1942		Feb. 12, 1951		
El Salvador.....	do.....	Feb. 2, 1942		May 26, 1950		

See footnotes at end of table, p. 28.

**STATUS OF NATIONS—Continued**  
*Lend-lease and related agreements—Continued*

Country	Declared eligible for lend-lease aid	Lend-lease master agreement 1		Lend-lease settlement		Other related agreements 2	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Ethiopia.....	Dec. 7, 1942	Aug. 9, 1943	EAS 334; 57 Stat. 1043.	May 20, 1949	29th L-L Rpt., p. 29; TIAS 1931.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 29; EAS 273; 56 Stat. 1614.
France.....	Nov. 11, 1941 4	Feb. 28, 1945	EAS 455; 59 Stat. 1304.	May 28, 1946	23d L-L Rpt., p. 41; TIAS 1928; 61 Stat. (4) 4175.	Sept. 25, 1943	Reciprocal Aid in French North and West Africa, 13th L-L Rpt., p. 66; EAS 483; 59 Stat. 1666.
Greece.....	Mar. 11, 1941	July 10, 1942	EAS 260; 56 Stat. 1559.	do.....	Mar. 14, 1949	Feb. 28, 1945	Section 3 (c) Agreement, EAS 455; 59 Stat. 1304.
Guatemala.....	May 6, 1941	Nov. 16, 1942	-----	Sept. 30, 1946	Maritime Claims, 28th L-L Rpt., p. 10; TIAS 1935.	Feb. 27, 1948	Expenditures of U. S. Armed Forces, TIAS 1930.
Haiti.....	May 6, 1941	Sept. 16, 1941	-----	Mar. 3, 1948	Settlement under Lend-Lease Agreement of Nov. 16, 1942. Final payment under Lend-Lease Agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. VI.		
Honduras.....	do.....	Feb. 28, 1942	-----	Feb. 10, 1949	Final payment under Lend-Lease Agreement of Feb. 28, 1942; reported in 28th L-L Rpt., p. I.		
Iceland.....	July 1, 1941	Nov. 21, 1941	EAS 429; 58 Stat. 1455.	May 16, 1946	23d L-L Rpt., p. 44; TIAS 1532; 60 Stat. 1753.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 397; 58 Stat. 1199.
India.....	Nov. 11, 1941	-----	-----	-----	-----	Dec. 21, 1945	Transfer on Credit; unpublished correspondence.
Iran.....	Mar. 10, 1942	-----	-----	-----	-----	Dec. 31, 1943	Port Project Agreement, EAS 411; 58 Stat. 1357.
Iraq.....	May 1, 1942	July 31, 1945	EAS 470; 59 Stat. 1535.	-----	-----		
Liberia.....	Mar. 10, 1942	June 8, 1943	EAS 324; 57 Stat. 978.	-----	-----		
Mexico.....	May 6, 1941	Mar. 13, 1943	-----	Feb. 24, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 18, 1943.		

Netherlands.....	Aug. 21, 1941	July 8, 1942	EAS 259; 56 Stat. 1554.....	May 23, 1947	24th L-L Rpt., p. 22; TIAS 1760; 61 Stat. (4) 3924.	June 14, 1943 Apr. 30, 1945	Reciprocal Aid, EAS 326; 57 Stat. 991. Section 3 (c) Agreement, Reciprocal Aid, EAS 480; 59 Stat. 1627.
New Zealand.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; EAS 272; 56 Stat. 1611.	July 10, 1946	23d L-L Rpt., p. 56; TIAS 1536; 60 Stat. 1791.	June 8, 1950 Sept. 3, 1942	Maritime Claims, TIAS 2119. Reciprocal Aid, 6th L-L Rpt., p. 27, EAS 272; 56 Stat. 1611.
Nicaragua.....	May 6, 1941	Oct. 16, 1941					
Norway.....	June 4, 1941	July 11, 1942	EAS 262; 56 Stat. 1565.....	Feb. 24, 1948	26th L-L Rpt., p. 61; TIAS 1716; 62 Stat. (2) 1848.	May 29, 1945	Marine Transportation and Litigation, EAS 471; 59 Stat. 1541.
Paraguay.....	May 6, 1941	Sept. 20, 1941					
Peru.....	do.....	Mar. 11, 1942					
Poland.....	Aug. 28, 1941	July 1, 1942	EAS 257; 56 Stat. 1542. TIAS 1511; 60 Stat. 1576.....	Mar. 21, 1947	24th L-L Rpt., p. 38; TIAS 1593; 61 Stat. (3) 2840.	Aug. 14, 1941	Atlantic Charter, EAS 236; 55 Stat. 1603.
South Africa.....	Nov. 11, 1941	Apr. 17, 1945	EAS 465; 59 Stat. 1476.....	May 7, 1946	23d L-L Rpt., p. 66; TIAS 1541; 60 Stat. 1809.	July 27, 1942	Acts of Armed Forces, EAS 355; 57 Stat. 1193.
Turkey.....	Nov. 7, 1941	Feb. 23, 1945	4th L-L Rpt., p. 80; EAS 241; 56 Stat. 1433.	Dec. 6, 1945	22d L-L Rpt., p. 45; TIAS 1509; 60 Stat. 1525.	Aug. 24, 1942	Patent Interchange, EAS 268; 56 Stat. 1594.
United Kingdom.....	Mar. 11, 1941	Feb. 23, 1942		Mar. 27, 1946	22d L-L Rpt., p. 48; TIAS 1509; 60 Stat. 1525.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 22; EAS 270; 56 Stat. 1605.
				June 13, 1948	Feb. 23, 1947	Esposured Claims, TIAS 1635; 61 Stat. (3) 3012.	Marine Transportation and Litigation, EAS 282; 56 Stat. 1780.
				June 29, 1948	Jan. 7, 1948	Surplus in Middle East, TIAS 1698; 62 Stat. (2) 1836.	Acts of Armed Forces, TIAS 1602; 61 Stat. (3) 2728.
					June 18, 1948	Unpublished Settlement of U. S. Army claims subsequent to period covered by agreements of Mar. 27, 1946.	
						Unpublished acknowledgment of discharge of obligations under agreement relating to petroleum (VI) of Mar. 27, 1946.	
				July 12, 1948	do.....	Joint Installations in Middle East, TIAS 1769; 62 Stat. (2) 2027.	Amended Patent Interchange Agreement, TIAS 1510; 60 Stat. 1566.
						Accounts and claims (wind-up of residual accounts and claims) 27th L-L Rpt., p. 59; TIAS 1770; 62 Stat. (2) 2034.	Marine Transportation and Litigation, TIAS 1558; 60 Stat. 1938.
							Acts of Civilians, TIAS 1622; 61 Stat. (3) 2876.
							Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014.

See footnotes at end of table, p. 28.

**STATUS OF NATIONS—Continued**  
*Lend-lease and related agreements—Continued*

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
United Nations	-----	Jan. 1, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 236; 55 Stat. 1600.	-----	-----	Oct. 13, 1945	Pipeline Agreement, 21st L-L Rpt., p. 48.
U. S. S. R.	Nov. 7, 1941	June 11, 1942	8th L-L Rpt., p. 50; EAS 253; 56 Stat. 1500.	-----	-----	Sept. 27, 1949	Return of Ice Breakers and Frigates, TIAS 2060.
Uruguay	May 6, 1941	Jan. 13, 1942	-----	-----	-----	-----	-----
Venezuela	do	Mar. 18, 1942	-----	Apr. 27, 1949	Prepaid in dollars. Final payment under Lend-Lease Agreement; reported in 29th Rpt., p. 2.	-----	-----
Yugoslavia	Nov. 11, 1941	July 24, 1942	EAS 263; 56 Stat. 1570.	July 19, 1948	27th L-L Rpt., p. 64; TIAS 1778; 62 Stat. (2) 2133.	-----	-----

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility for defense aid furnished, was accepted by each beneficiary nation. Approximately 97 percent of the aggregate amount due has been paid in cash and/or through specially negotiated settlement arrangements. Negotiations for the settlement of the as yet unsettled residual accounts are in various stages of progress.

<sup>2</sup> The Declaration by United Nations for a cooperative war effort was signed by 26 nations on Jan. 1, 1942. The other nations here listed, except Iceland, signed on later dates. See the Twenty-First Report to Congress on Lend-Lease Operations, pp. 44-45. Pursuant to that Declaration, the signatory nations subscribed to the Atlantic Charter of Aug. 14, 1941 (the Joint Declaration of the President of the United States and the Prime Minister of the United Kingdom).

<sup>3</sup> A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946.

<sup>4</sup> Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>5</sup> Wind-up of residual accounts and claims.

## APPENDIX III

NOTE.—There are reprinted in this section for purposes of convenience most of the principal laws and documents relating to lend-lease. All of these have been included in previous reports, several of which are now out of print. The text of the Lend-Lease Act of March 11, 1941, appears below in the form in which it was originally passed.

### PUBLIC LAW 11

#### SEVENTY-SEVENTH CONGRESS, FIRST SESSION

AN ACT Further to promote the defense of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as “An Act to Promote the Defense of the United States.”

#### SECTION 2

As used in this Act—

(a) The term “defense article” means—

- (1) Any weapon, munition, aircraft, vessel, or boat;
- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commodity or article for defense.

Such term “defense article” includes any article described in this subsection: manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term “defense information” means any plan, specification, design, prototype, or information pertaining to any defense article.

#### SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the govern-



ment of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a

foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of conveying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

#### SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

#### SECTION 5

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation

or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

#### SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

#### SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

#### SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

#### SECTION 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

#### SECTION 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

Approved March 11, 1941.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Chapter 30*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Chapter 460*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000.

## PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Chapter 141*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

## PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Chapter 629*

## TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States," approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 201 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation act for the same purpose, shall be deemed to include the authority to procure, dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

## PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such

Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947."

Approved, March 11, 1943.

### PUBLIC LAW 304

#### SEVENTY-EIGHTH CONGRESS, SECOND SESSION

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however,* That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

Approved, May 17, 1944.

### PUBLIC LAW 31

#### SEVENTY-NINTH CONGRESS, FIRST SESSION

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949."

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier", inserting a semicolon, and the following new language: "*Provided, however,* That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction."

Approved, April 16, 1945.

## PUBLIC LAW 521

### SEVENTY-NINTH CONGRESS

#### *Title I. General Appropriations*

#### DEFENSE AID—LEND-LEASE

\* \* \* \* \*

Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and others Acts mentioned in said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided*, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

\* \* \* \* \*

SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946."

Approved July 23, 1946.

## PUBLIC LAW 271

## EIGHTIETH CONGRESS

An Act making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided*, That the foregoing amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of only Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

\* \* \* \* \*



## APPENDIX IV

### FUNDS MADE AVAILABLE FOR LEND-LEASE

#### I. LEND-LEASE APPROPRIATIONS TO THE PRESIDENT

First lend-lease appropriation (Mar. 27, 1941)-----	\$7, 000, 000, 000
Second lend-lease appropriation (Oct. 28, 1941)-----	5, 985, 000, 000
Third lend-lease appropriation (Mar. 5, 1942)-----	5, 425, 000, 000
Fourth lend-lease appropriation (June 14, 1943)-----	6, 273, 629, 000
Fifth lend lease appropriation (June 30, 1944)-----	3, 538, 869, 000
Sixth lend-lease appropriation (July 5, 1945)-----	2, 475, 000, 000
<b>Total</b> -----	<b>30, 697, 498, 000</b>
<b>Deduct:</b>	
Rescission of lend-lease appropriations (Feb. 19, 1946)-----	1, 739, 561, 000
Rescission of lend-lease appropriations (May 27, 1946)-----	945, 000, 000
Rescission of lend-lease appropriations (July 23, 1946)---	672, 000, 000
Transfer to Treasury Department (Coast Guard) -----	12, 966, 000
Transfer to UNRRA-----	385, 000, 000
Reserve for postwar price support of agriculture-----	500, 000, 000
<b>Total deductions</b> -----	<b>4, 254, 527, 000</b>
<b>Net appropriations available for lend-lease</b> -----	<b>26, 442, 971, 000</b>

#### II. TRANSFERS AUTHORIZED FROM OTHER APPROPRIATIONS

Acts appropriating funds to the War and Navy Departments provided that defense articles, information and services procured from such funds could be transferred under lend-lease up to specified maximum amounts, which are shown below:

##### War Department:

Third Supplemental, 1942-----	\$2, 000, 000, 000
Fourth Supplemental, 1942-----	4, 000, 000, 000
Fifth Supplemental, 1942-----	11, 250, 000, 000
Sixth Supplemental, 1942-----	2, 220, 000, 000
Military Appropriation Act, 1943-----	12, 700, 000, 000
Navy Department: Second Supplemental, 1943-----	3, 000, 000, 000
Departments Other Than War: Third Supplemental, 1942-----	800, 000, 000
<b>Total</b> -----	<b>35, 970, 000, 000</b>

NOTE.—In addition to the foregoing, Congress with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which might be so leased. (See for example, Public Law 1, 78th Congress, approved February 19, 1943, and Public Law 11, 78th Congress, approved March 18, 1943.)

## III. TOTAL FUNDS MADE AVAILABLE FOR LEND-LEASE

Maximum provided, as of Sept. 30, 1946 (not including the  
leasing of ships) (total of I and II)----- \$62,412,971,000

## IV. DISPOSITION OF FUNDS

## Obligations and expenditures:

Lend-lease appropriations-----	\$25,988,759,000
War Department-----	19,348,763,000
Navy Department-----	4,615,790,000
Maritime Commission (War Shipping Administration)---	620,647,000
Coast Guard-----	12,966,000
Total-----	<u>50,586,925,000</u>

<sup>1</sup> The net difference between this figure and the reported total amount of lend-lease aid is accounted for by the aid supplied from foreign government funds, the reissues of returned lend-lease articles, and the excess of obligations of funds over the amount of aid rendered.

## APPENDIX V

### TERMINATION OF LEND-LEASE

This Government has given the following response to the question, "What is the termination date of lend-lease?"

Under section 3 (c) of the Lend-Lease Act (55 Stat. 31), as amended (59 Stat. 52), the authority to make new commitments to render lend-lease aid terminated on June 30, 1946. The authority to carry out commitments entered into prior to June 30, 1946, continued to June 30, 1949.

As a matter of policy the President determined that, with minor exceptions, lend-lease aid on the wartime basis, without full repayment by recipient governments, was terminated on VJ-day, September 2, 1945. In one or two very minor respects, the authority to continue lend-lease aid beyond the dates specified above has been granted by act of Congress.

Other provisions in the Lend-Lease Act, such as the authority to make settlements and to fix the terms of aid, and provisions respecting the implementation of recapture and other agreements, have no automatic termination.





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# THIRTY-THIRD REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTY-THIRD REPORT TO CONGRESS ON  
LEND-LEASE OPERATIONS, FOR THE PERIOD  
ENDING DECEMBER 31, 1951

---

Payments and Settlements  
Current Settlement Negotiations  
Liberian Port Project  
Reverse Lend-Lease  
Silver Accounts  
Lend-Lease Fiscal Operations  
Status of Nations  
Lend-Lease Act  
Funds Made Available for Lend-Lease



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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1952

**Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))**

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## PRESIDENT'S LETTER OF TRANSMITTAL

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THE WHITE HOUSE, *July 3, 1952.*

*To the Congress of the United States:*

I am transmitting herewith the Thirty-third Report to Congress on Lend-Lease Operations, for the period from April 1, 1951, through December 31, 1951.

Since the previous report a Lend-Lease Settlement Arrangement has been concluded with Nicaragua; Colombia completed the payments scheduled under the Settlement Arrangement of April 13, 1950; and Cuba liquidated a residual amount due under the terms of the original Lend-Lease Agreement of November 7, 1941.

Across-the-board negotiations with the U. S. S. R. continued during part of the report period. The course of these discussions is described at some length in the body of the report.

HARRY S. TRUMAN.

(Enclosure: Thirty-third Report to Congress on Lend-Lease Operations.)

III





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## THIRTY-THIRD REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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### PREAMBLE

Lend-lease came into being almost 11 years ago—in the early spring of 1941. The Lend-Lease Act was enacted by the Congress as a measure of national defense on March 11, 1941. The name under which the Act became known derives from its wording which authorized the President “to sell, transfer, transfer title to, exchange, lease, lend, or otherwise dispose of” defense articles. Technically speaking its title is “An Act to Promote the Defense of the United States.”

The Act provides that the terms and conditions upon which any foreign government received aid shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property or any other direct or indirect benefit which the President deems satisfactory.

Lend-lease was not conceived as a means of lending money nor as an act of charity. Rather lend-lease was a program of providing goods and services to nations resisting the Axis aggressors. It was undertaken for the defense of the United States. We aided other peoples through lend-lease and they aided us in the form of reciprocal aid (reverse lend-lease) because at the time our interests coincided. Through lend-lease our allies were assured of a continuous and mounting flow of arms, food, and other supplies with which to defeat the common enemy.

Now, almost 11 years after the Lend-Lease Act came into effect and over 6 years since VJ-day, much remains to be done in protecting the interests of the United States in matters arising directly from lend-lease or closely related to it. Since September 1945 the Department of State has been charged with the responsibility of administering lend-lease activities with the exception of the purely fiscal and accounting functions which have been the responsibility of the Treasury Department since May 1946.

The Department of State is in daily communication with various governments involved in the lend-lease and reverse lend-lease operations of World War II. Several governments have thus far failed to come to terms for the settlement of their lend-lease accounts. On the other hand many of the settlements which were consummated some

time ago are receiving current attention due to the necessity of dealing with our affairs in the light of changed circumstances and the current world situation. There also is a steady flow of administrative details remaining from this 50-billion-dollar undertaking of World War II. Information on the more important items requiring the attention of our Government during this report period is contained in this and in the following pages.

### LEND-LEASE PAYMENTS AND SETTLEMENTS

Members of the Congress, public officials, and responsible private citizens have occasionally turned to the records of lend-lease operations in casting about for some precedent or basis of comparison which would be useful in helping them to formulate their views on current military-defense-assistance programs. Some of these civic leaders have been especially interested in how our allies of World War II have fulfilled their obligations and commitments in connection with lend-lease.

The governments of most lend-lease recipient countries have either discharged their obligations in full or have entered into settlement agreements whereby the lend-lease accounts will be settled by various means including periodic payments spread over a number of years.

During the period covered by this report the Department of State maintained its efforts to work out satisfactory settlements with those countries which have not settled their lend-lease accounts, while at the same time it kept a close watch over existing agreements to assure that the interests of the United States are being fully protected.

The lend-lease account with the U. S. S. R. has been the subject of many inquiries during the past year. Across-the-table negotiations which were resumed in January 1951 were reported in some detail in the Thirty-second Lend-Lease Report covering the period ending March 31, 1951. The months of April, May, and August saw further fruitless negotiations with representatives of the Soviet Government. Several important diplomatic communications were also exchanged, and the results of these latest efforts to work out a satisfactory lend-lease settlement with the U. S. S. R. are reported in detail in another part of this report.

Representatives of the National Government of the Republic of

China have voiced renewed interest in working out a settlement of World War II accounts, including lend-lease, and some brief discussions and exchanges of views have taken place. Prospects seem good for a settlement of the accounts with China.

The Governments of Peru and Poland are being urged to settle their lend-lease accounts and a number of communications have passed between each of these Governments and the Department of State.

The period covered by this report was marked by several noteworthy payments; for example, Cuba paid the residual balance due on its lend-lease accounts and Colombia also completed payments in fulfillment of its commitment under the settlement arrangement of April 13, 1950. Brazil continued to maintain its good payment record under the arrangement of April 15, 1948, and the supplement of April 19, 1950. The Government of Nicaragua also came to terms and agreed to remit the balance due on its lend-lease accounts through a funding arrangement over a moderate period of time.

It will be recalled by those who are familiar with lend-lease that a number of countries, such as Canada, Egypt, Iceland, and Iraq, reimbursed the United States on a "pay as you go" basis for lend-lease supplies furnished during World War II. On the other hand, as mentioned above, other countries have undertaken settlement obligations whereby the amounts owed will be paid off over a period of time. Some examples of such countries are the Netherlands, the United Kingdom, and France. The table entitled "Status of Nations—Lend-Lease and Related Agreements," which appears as appendix II of this report, will be of interest to those requiring specific details of this aspect of the lend-lease picture.

For the convenience of the reader some additional details are provided in the following pages under individual country titles.

#### COLOMBIA

On June 29, 1951, the Government of Colombia completed payments due on its over-all lend-lease obligations in accordance with the commitment made in the Colombian Lend-Lease Settlement Arrangement of April 13, 1950. With this payment there have been discharged all fiscal responsibilities incurred by Colombia under the provisions of the Lend-Lease Agreement of March 17, 1942.

Declared eligible for lend-lease aid on May 6, 1941, Colombia severed relations with the former Axis Powers on December 8, 1941, and entered the war on November 27, 1943.

## CUBA

On April 26, 1951, the Government of Cuba completed the liquidation of its fiscal obligations for defense aid furnished under the terms of the Lend-Lease Agreement of November 7, 1941.

As one of the other American Republics declared eligible on May 6, 1941, to receive lend-lease aid, Cuba declared war against the Axis on December 9, 1941, and became a signatory of the Declaration by United Nations on January 1, 1942.

## NICARAGUA

On September 26, 1951, a Lend-Lease Settlement Arrangement with the Government of Nicaragua was made effective. Under its terms the balance due, stemming from the Lend-Lease Agreement of October 16, 1941, will be paid by Nicaragua over a reasonable period of time.

## **CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS**

### **BOLIVIA**

As stated in the Thirty-second Report, Bolivia some time ago completed the payment of its lend-lease obligations incurred under the terms of the Lend-Lease Settlement Arrangement of November 1947. However, the Government of Bolivia is still obligated to the United States in a fairly substantial amount for the cost of contingent aid furnished Bolivia for the maintenance and upkeep of lend-lease military equipment, after VJ-day.

It is hoped that mutually agreeable terms for the settlement of this indebtedness will soon be developed.

### **CHINA**

China is still numbered among the few major unsettled lend-lease accounts. During recent months representatives of the National Government of the Republic of China have informed the Department of State that they are now in a position to resume negotiations for the settlement of the lend-lease and other accounts.

The Department of State has been endeavoring since 1947 to work out an agreement for settlement of the lend-lease obligations of China and, in view of the renewed interest of the National Government in the matter, it is hoped that discussions early in 1952 will result in a prompt settlement of a number of accounts, including lend-lease.

### **ECUADOR**

Payment of the amount due from Ecuador under "treaty account" incurred within the terms of the Lend-Lease Agreement of April 6, 1942, was completed in February 1951. However, the Government of Ecuador still remains indebted to the United States for post-VJ-day lend-lease furnished for the maintenance of military equipment supplied under "treaty" terms. It is expected that negotiations for the final liquidation of this debt will eventually result in a satisfactory settlement.

### **PERU**

For the period covered by this report, Peru continues in arrears in its lend-lease obligations to the United States, both in respect to



commitments made under the specific provisions of the Lend-Lease Agreement of March 11, 1942, and for contingent defense aid furnished during the program period on cash-repayment terms.

Notwithstanding an extended series of negotiations, the Department of State has not as yet been able to achieve mutually acceptable terms of settlement. However, prospects for eventual accord are favorable.

#### POLAND

Poland was invaded and attacked by Nazi Germany on September 1, 1939. Nearly 2½ years later, on January 1, 1942, the Government of Poland in Exile became a signatory of the Declaration by United Nations.

A so-called "preliminary" agreement between the Governments of Poland and the United States, embracing principles applying to mutual aid in the prosecution of the war against aggression, was signed in Washington on July 1, 1942. The full text of that agreement is printed as Executive Agreement Series 257 (Department of State publication 1796 or 56 Stat. 1542).

Under the terms of the agreement the United States furnished lend-lease aid to Poland amounting in value to about 12.5 million dollars, of which the greater part was for goods and services supplied prior to VJ-day.

Negotiations designed to reach a settlement were initiated in 1947 and were continued in 1948. The United States proposed that the settlement, in addition to the defense aid accounts, should include intergovernmental claims and other matters related to the general war accounts. No offer of a settlement formula has as yet been received from the Government of Poland; however, as the result of formal representations by the Department of State to the Ambassador of Poland in Washington there has been further discussion of the matter.

#### U. S. S. R.

During the period covered by this report the Department of State continued its negotiations for a settlement of the Soviet Union's lend-lease obligations. A summary of previous meetings in the current series of negotiations, which began on January 15, 1951, is contained in the Thirty-second Report to Congress on Lend-Lease Operations.

As before, the latest meetings with the Soviet Government representatives, which took place in April, May, and August, have centered on three main issues: (1) the amount and terms of a satisfactory financial settlement; (2) the return to the United States of all vessels loaned to the U. S. S. R.; and (3) compensation to United States companies for the use of their patented oil-refinery processes supplied to

the U. S. S. R. under lend-lease and currently being used in the U. S. S. R.

### *Financial Settlement*

After unsuccessful efforts to reach agreement on the terms of a satisfactory financial agreement through bilateral negotiations, the Department of State, on April 27, 1951, sent a note (exhibit B) to the Soviet Government proposing that the question of the financial settlement be submitted to arbitration. The note reviewed the positions taken on this issue by the two Governments; pointed out that 4 years of direct negotiation had yielded little progress toward a settlement; and proposed that the question be referred for decision to an arbitral panel of three members, one each to be appointed by the Soviet Union and the United States and the third member to be appointed by the President of the International Court of Justice.

This proposal for arbitration was rejected by the Soviet Government in a note dated August 28 (exhibit C). In that note the Soviet Government declared that bilateral negotiations represented the best and most rapid means of reaching mutually satisfactory agreements in international relations, and charged that the failure to reach agreement in the lend-lease discussions resulted from alleged United States discriminations against the Soviet Union in setting an unjustifiably high settlement figure, not in accord with the lend-lease settlement concluded with Great Britain. It repeated previous assertions that the settlement should take into account the advantages accruing to the United States from the Soviet Union's "huge contribution" to victory over the Axis Powers in World War II. It should be noted that the Department of State, in its note of April 27 (exhibit B), had already specifically refuted, as it had done in many of the lend-lease meetings, the two basic Soviet arguments that the United States position discriminated against the U. S. S. R. in comparison with Great Britain and that the United States did not give due consideration to the Soviet war contribution. The Soviet note also opposed the arbitration proposal on the basis that no provisions for arbitration of disagreements had been included in the Master Lend-Lease Agreement of June 11, 1942.

Before rejecting the arbitration proposal, however, the Soviet Government had made the first change in its settlement offer since November 24, 1950, by increasing its offer from \$240,000,000 to \$300,000,000. This increase was made orally by the Soviet delegation at a meeting held on August 24, at which time the United States representatives indicated that the offer was far from fair and reasonable compensation.

### *Return of Vessels*

Another exchange of notes on the subject of Soviet-held lend-lease vessels took place during the period covered by this report. On April 6

the United States despatched a note (exhibit A) replying to a Soviet note of March 21, in which the Soviet Government had rejected a United States demand that all lend-lease vessels be returned in accordance with the provisions of article V of the Master Lend-Lease Agreement. (Article V stipulates that the U. S. S. R. "will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.") In its note of March 21 the Soviet Government took the position that the point at issue and the purpose of the discussions were not the "return" of the ships but solely the details of the "sale" of certain of the vessels to the U. S. S. R. in accordance with previous "agreements"; it argued, also, that the United States demand was not justified in view of the large amount of merchant-ship tonnage lying idle in the United States and in view of the transfer of United States naval vessels to other countries. Countering these arguments in its April 6 note, the Department of State pointed out again to the Soviet Government that the original United States offers to sell certain of the ships always had been tentative, having been conditioned on the conclusion of a prompt over-all lend-lease settlement. Since this condition had never been met, the offer to sell some of the vessels was withdrawn.

With respect to the allegation that the United States did not need the vessels, the note pointed out that under the terms of the lend-lease agreement the President of the United States alone was empowered to determine the usefulness of lend-lease articles to the United States. The note concluded with a reiteration of the demand that the Soviet Government fulfill its legal obligation and return the vessels to the United States Government immediately.

On August 21 the Soviet Government replied (exhibit C) to the renewed demand for the return of all vessels by restating its position, outlined in its note of March 21, that the question at issue was still United States fulfillment of the "understanding" to sell certain of the lend-lease vessels.

On August 24 the Soviet Government representatives were informed that their note of August 21 was entirely unsatisfactory and that a formal reply would be made in due course.

Meanwhile the Department of State continued to press for the return of two icebreakers—due to have been returned to the United States in December 1949—which the Soviet Government has claimed were ice-bound with damaged screws in the Arctic Ocean. These efforts were finally successful and the Soviet delegation, in response

to the Department of State's repeated inquiries, stated on August 22, 1951, that the two icebreakers would be returned to United States authorities at Bremerhaven, Germany, in November if Arctic ice conditions permitted. Although delayed, they were finally delivered on December 19, 1951.

#### *Compensation of Patent-Holders*

Soviet Government representatives continued some negotiations on agreements to compensate United States firms whose patented processes are being used by the U. S. S. R. in oil refineries supplied under lend-lease. Soviet failure to compensate six of the seven interested United States firms had been one of the main points taken up with the Soviet delegation by the United States delegation at the first session when the current series of meetings was opened on January 15, 1951. As a result the Soviet delegation undertook negotiations with the six companies. By the end of the period covered by the previous report one more agreement had been signed and during the current period two additional agreements were concluded.

NOTE: Exhibits A, B, and C, shown on the following pages, were originally issued as Department of State press releases 257 of April 6, 1951; 329 of April 27, 1951; and 16 of January 9, 1952, respectively.

## EXHIBIT A<sup>1</sup>

FOR THE PRESS

No. 257

DEPARTMENT OF STATE, *April 6, 1951.*

Following is an exchange of notes between the Secretary of State and the Soviet Ambassador to Washington concerning the request of the United States Government of February 7, 1951, that the Government of the Union of Soviet Socialist Republics promptly return to the United States all vessels loaned to the Union of Soviet Socialist Republics under the terms of the Master Lend-Lease Agreement of June 11, 1942:

### UNITED STATES NOTE OF APRIL 6

His Excellency ALEXANDER S. PANYUSHKIN,  
*Ambassador of the Union of Soviet Socialist Republics.*

EXCELLENCY: I have the honor to refer to your note No. 22 of March 21, 1951, concerning this Government's request of February 7, 1951, that the Government of the Union of Soviet Socialist Republics promptly return to the United States all vessels loaned to the Soviet Union under the terms of the Master Lend-Lease Agreement of June 11, 1942.

In your note you declare that agreement had already been reached between our two Governments for the sale to the Soviet Union of all the merchant ships and part of the naval ships received under lend-lease and that this Government's note of February 7, 1951, "violates" this agreement.

By "agreement" it is presumed that you have reference to this Government's notes of February 27, 1948, September 3, 1948, and August 8, 1949, which dealt with the disposition of lend-lease vessels.

With respect to the 36 war-built merchant vessels this Government's note of February 27, 1948, stated:

"The agreement of your Government concerning these vessels resolves tentatively one of the several points necessary to a satisfactory comprehensive settlement of the obligations under the agreement between our two Governments of June 11, 1942.

"\* \* \* Your attention is invited to the fact that at the first meeting of the working groups on May 3, 1947, United States Representatives stated that since the object of the negotiations was to achieve a satisfactory comprehensive settlement, agreement reached on any particular subject was tentative and subject to agreement on all issues necessary to a general settlement. The Soviet representatives indicated their concurrence. Accordingly, the first paragraph of the "Outline of Main Points of Settlement Proposed by the United States Side" in keeping with the above-mentioned understandings reached by the

<sup>1</sup> Published in Thirty-second Report to Congress on Lend-Lease Operations as Exhibit C (p. 11).

representatives of our two Governments on May 3, 1947, reads in part as follows: "As both sides have understood from the outset, the reaching of agreement upon any one issue is tentative and subject to the conclusion of a satisfactory comprehensive settlement."

With respect to prewar-built merchant vessels and tugs, this Government's note of August 8, 1949, stated in part:

"The Government of the United States considers this amount (\$13,000,000) satisfactory as the cash price for the sale of the vessels, effective as of September 2, 1945, it being understood that the sale will be consummated only upon conclusion of the over-all lend-lease settlement. Agreement on this point resolves satisfactorily another of the several points of a comprehensive settlement, but the Government of the United States will continue to reserve its rights under article V of the agreement of June 11, 1942, to require the return to the United States of the prewar-built merchant vessels and the tugs as well as other lend-lease articles until such time as a mutually satisfactory over-all settlement agreement is reached."

With respect to naval vessels, this Government's note of September 3, 1948, stated in part:

"Provided a mutually satisfactory lend-lease settlement is promptly agreed upon by our two Governments, the Government of the United States is willing, at agreed prices, to sell to the Soviet Government as a part of such settlement and in accordance with the surplus property procedures outlined to representatives of your Government on June 25, 1947, the following naval craft \* \* \*."

Moreover, on other occasions this Government has made perfectly clear to the Soviet Government its position concerning the disposition of lend-lease vessels. In this Government's note of May 7, 1948, which referred to the conditional nature of the agreement concerning war-built merchant ships as set forth in this Government's note of February 27, 1948, it was stated:

"\* \* \* the position of the Government of the United States is that, if a comprehensive lend-lease settlement is not concluded promptly, the Government of the United States under article V of the Agreement of June 11, 1942, will require the return to the United States of the lend-lease merchant vessels now remaining in the possession of your Government."

In this Government's note of September 3, 1948, in connection with the need for a prompt and satisfactory settlement, it was stated:

"Therefore, notwithstanding certain offers which this Government has made in connection with its settlement proposals, unless a mutually satisfactory settlement is promptly agreed upon by our two Governments, this Government will have no alternative but to withdraw its offers to transfer full title to certain lend-lease articles to the Government of the Union of Soviet Socialist Republics and will be obliged to exercise its rights under article V of the Agreement of June 11, 1942, by requiring the return of such articles to the United States. This is particularly applicable to all merchant and naval vessels. It applies also to military vessels and to certain other lend-lease articles which would be of use to the United States."

From the above it is clear that the "agreement" referred to in your note of March 21, 1951, consists of a series of tentative offers by the Government of the United States which have been explicitly conditioned upon the conclusion of a prompt and satisfactory lend-lease settlement. In the current conversations on the subject of a lend-lease settlement, Ambassador John C. Wiley has repeatedly called to your attention the fact that the Soviet Government by avoiding the reaching of a prompt and satisfactory over-all settlement clearly

has failed to meet the conditions for the sale of any of these vessels. Therefore, this Government is free to withdraw its conditional offer to sell such vessels and this was done in this Government's note of February 7, 1951.

Your note of March 21, 1951, advances as a second reason for not returning lend-lease vessels the argument that the vessels are not needed by the United States. Article V of the Master Lend-Lease Agreement of June 11, 1942, is clear and specific on this point, reading as follows:

"The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America."

This article places upon the President of the United States alone the responsibility for the determination of the usefulness of lend-lease articles to the United States. The point raised in your note of March 21, 1951, that certain vessels of the United States may have been disposed of to third countries bears no relationship to the obligations of your Government under article V and is not subject to discussion between our two Governments.

On July 7, 1948, the President of the United States of America determined that the emergency relative to the lend-lease program had been terminated and the Government of the Union of Soviet Socialist Republics was so notified on October 7, 1948. On this date the Soviet Government was also notified of the determination by the President of the United States that 3 icebreakers, 28 frigates, and 186 other naval craft were of use to the United States and their return was demanded. The Soviet Government has returned only the frigates and one icebreaker. On February 7, 1951, the Government of the Union of Soviet Socialist Republics was informed that the President of the United States of America had determined that all merchant, military and naval lend-lease vessels remaining in Soviet custody are of use to the United States and the prompt return of these vessels was duly demanded. Therefore, the obligation of the Soviet Government to return the vessels listed in this Government's note of February 7, 1951, is clear and unequivocal.

With reference to the statement in your note of March 21, 1951, that United States naval vessels in Soviet custody are "badly worn out and for the most part unfit for navigation in the open sea," I wish to emphasize that title to these vessels remains in the Government of the United States regardless of their condition. I therefore repeat the request made in this Government's note of February 7, 1951, that representatives of the Government of the United States be permitted to examine all unserviceable vessels in order to determine their ultimate disposition.

The demand presented in this Government's note of February 7, 1951, that the Government of the Union of Soviet Socialist Republics immediately return to the Government of the United States all the naval and merchant vessels as well as military watercraft which were transferred to it under the Master Lend-Lease Agreement of June 11, 1942, is hereby reiterated.

A prompt reply is requested in order that the necessary arrangements for return may be promptly agreed upon with the Soviet naval expert now in Washington.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON.

## SOVIET NOTE OF MARCH 21

WASHINGTON, March 21, 1951.

Mr. DEAN ACHESON,

*Secretary of State of the United States of America.*

SIR: In connection with your note delivered to me on February 7, 1951, by Mr. Wiley during the negotiations on the question of a lend-lease settlement, I have the honor to state the following:

As you know, by agreement between the Governments of the U. S. S. R. and the U. S. A. negotiations were renewed in Washington on January 15 this year between representatives of both Governments for settling all lend-lease accounts. Prior to that time agreement had already been reached between the Governments of the U. S. S. R. and the U. S. A. on several specific questions of the lend-lease settlement, and several other specific questions remained to be agreed upon in order to complete the negotiations and to conclude an agreement for a final and total settlement. In particular, an agreement was reached concerning the sale to the Soviet Union of all the merchant ships and part of the naval ships received under lend-lease. With regard to merchant ships, an agreement was also reached about sale prices and that the value of all merchant ships of prewar construction would be paid for in cash. It is important to note that the agreement concerning the sale of merchant ships to the Soviet Union was reached long before the expiration of the act of 1946 concerning the sale of merchant ships. As concerns the naval vessels, it is well known that the Government of the U. S. S. R., in view of the agreement which had been reached earlier, sent a naval expert to Washington at the suggestion of the Government of the U. S. A., proceeding on the basis that the American and Soviet experts would discuss the conditions of the sale of naval vessels to the Soviet Union.

The proposal for the immediate return of all merchant and naval vessels, made by the Government of the U. S. A. in your note of February 7 of this year, violates the agreement already reached between the Governments of the U. S. S. R. and the U. S. A. during the negotiations on lend-lease.

The United States Government attempts to justify its violation of the agreement concerning the sale to the Soviet Union of all merchant vessels and part of the naval vessels by referring to article 5 of the Lend-Lease Agreement of June 11, 1942, which stipulates the possibility of the return of lend-lease residue at the determination of the President of the United States. However, in this case the question concerns solely the fulfillment by the Government of the U. S. A. of an agreement which had been reached after the conclusion of the Agreement of June 11, 1942, and which fully corresponds to the principles and tasks of this agreement, which provides for the necessity of guaranteeing the interests of both sides in the final lend-lease settlement.

It is necessary to note that the Government of the U. S. A. motivates its proposal, concerning the return of the merchant and naval vessels received by the Soviet Union under lend-lease, by the fact that the United States has need of these vessels at the present time. This motivation cannot but cause surprise.

The United States demands the return by the Soviet Union of an insignificant number of merchant vessels while according to the report of the Senate Commission of August 30, 1950, No. 2494, three-fifths of all tonnage or more than 15 million gross tons of the United States merchant fleet are not being used and are moored inactive at piers.

The United States also demands the return by the Soviet Union of an insignificant number of small naval vessels badly worn out and for the most part unfit for navigation in the open sea. Meanwhile it is well known that the United States has sold and transferred several naval vessels to other countries. Thus,



according to data of the United States Department of Defense published in a press release of January 9, 1951, two light cruisers were sold to Brazil and Chile; according to reports in the American press, destroyer escorts, submarines, and other naval vessels were sold to Turkey, Greece, France, and other countries. Altogether, according to data published in the United States, 26 large naval vessels were sold to other countries in 1950 and 1951, not to mention a considerable number of small naval vessels. With regard to the sale of merchant vessels, as can be seen from data published on January 18 of this year in the American press the United States has sold 1,113 American vessels of wartime construction to foreign purchasers.

It is also known that during the lend-lease settlement with Great Britain, the Government of the U. S. A. sold vessels, along with other lend-lease residual items, to the Government of Great Britain, as is witnessed by the report of the Senate Commission of March 22, 1946, No. 110, section V.

Thus the reference in your note to the fact that the United States needs merchant and naval vessels appears to have an artificial character and therefore cannot serve as a basis for presenting the Soviet Union with a demand to return all lend-lease vessels. Such a demand does not conform to the principles of the Lend-Lease Agreement, which provides, as is well known, an obligation to consider the interests of both sides and not to act unilaterally and to the harm of these interests.

The Soviet Government also considers it necessary to draw the attention of the Government of the U. S. A. to the fact that the number of lend-lease naval vessels indicated in the supplement to your note of February 7 does not correspond to the actual number of such vessels in the possession of the Soviet Union. The total number of available lend-lease naval vessels in the U. S. S. R. is 498, not counting 2 icebreakers. The remaining 56 vessels were lost during military operations and for other reasons. On June 25, 1948, the Soviet Government, as is known, reported the existence in the U. S. S. R. of 518 naval vessels, consisting mainly of cutters, minesweepers and other small vessels, without mentioning the remaining vessels which were lost during the war.

In its note of reply of September 3, 1948, the Government of the U. S. A. correctly listed 36 vessels as lost or destroyed. As concerns 20 vessels, I reported their loss to Mr. Wiley during the negotiations on January 27 of this year. During the negotiations on February 7, additional information concerning lend-lease naval vessels now in the U. S. S. R. was given to Mr. Wiley.

The Soviet Government expresses confidence that the Government of the U. S. A. will adhere to the agreement previously reached concerning merchant and naval vessels, which is an important condition in reaching a lend-lease settlement.

Accept, Sir, the assurances of my highest consideration.

A. PANYUSHKIN.

## EXHIBIT B

FOR THE PRESS

No. 329

DEPARTMENT OF STATE, *April 27, 1951.*

The United States today proposed to the Soviet Government that the outstanding disagreement over a lend-lease settlement be submitted to an international arbitration board.

The board would be asked to decide the amount and terms of a financial settlement which the two governments, in 4 years of direct negotiations, have been unable to reach.

The decision of the board, the United States said in a note delivered to the Soviet Ambassador in Washington, should be final and binding on both parties.

The lengthy negotiations with the Soviet delegation "have yielded little progress," the American note, signed by Secretary of State Dean Acheson, said.

"In order to achieve a solution satisfactory to both sides," the United States proposed that the question of what would be "fair and reasonable terms of financial settlement" be submitted to an arbitral panel of three members. One member of the panel would be appointed by the United States and one member by the U.S.S.R. The third member would be appointed by the President of the International Court of Justice.

The United States note said that the question of lend-lease ships, the return of which was again demanded in the United States note of April 6, 1950, is not included in the arbitration proposal.

During the war, the United States furnished lend-lease supplies and services to Russia valued at 10.8 billion dollars. The United States has requested payment only for "civilian-type" articles which remained in Soviet custody at the end of the war. No request for payment was made for "civilian-type" articles lost, destroyed, or consumed during the war.

Value of the civilian-type articles in Russian hands at the end of the war has been estimated by the United States, after liberal allowances for losses and depreciation, at 2.6 billion dollars. In an effort to speed the settlement, however, the United States offered to settle for 1 billion dollars and later for 800 million dollars. The final amount offered by Russia was 240 million dollars.

His Excellency ALEXANDER S. PANYUSHKIN,  
*Ambassador of the Union of Soviet Socialist Republics.*

*April 27, 1951.*

EXCELLENCY: I have the honor to refer to the negotiations between our two Governments for a settlement of the obligations of the Government of the Union of Soviet Socialist Republics under the Master Lend-Lease Agreement of June 11, 1942, and specifically to the questions of compensation for lend-lease articles not lost, destroyed or consumed during the war and the terms and conditions under which such articles may be retained by the Soviet Government. The Government of the United States has upon several occasions already demanded the return under Article V of the Master Lend-Lease Agreement of all lend-lease ships and watercraft, particularly in its notes of February 7 and April 6, 1951. The question of ships therefore is not considered herein.

The Government of the United States has requested no payment for "military-type" articles (arms, ammunition and implements of war, exclusive of ships) which may have remained in Soviet custody at the war's end. The position of the Government of the United States, however, has been that the terms of any settlement would reserve the right of the Government of the United States, as set forth in Article V of the Master Lend-Lease Agreement, to the return to the United States by the Soviet Government of such "military-type" articles and would maintain the obligation of the Soviet Government as stipulated in Article III of the Master Lend-Lease Agreement, to obtain the prior consent of the Government of the United States before retransfer of such articles to third parties. The position of the Government of the United States in this matter is in keeping with the settlements already concluded with other Lend-Lease countries having Master Lend-Lease agreements similar to that with the Soviet Government.

The Government of the United States also has requested no payment for "civilian-type" articles lost, destroyed, or consumed during the war. The Government of the United States has requested payment only for those "civilian-type" articles which remained in Soviet custody at the war's end and has offered to transfer title to such articles in consideration of payment of a mutually satisfactory sum on terms agreed by our two Governments. These "civilian-type" articles consist of lend-lease supplies having a peacetime value to the Soviet economy and remaining under the control of the Soviet Government on September 2, 1945, or subsequently received by it with the exception of ships, "military-type" articles as stated above, and certain lend-lease articles title to which had been transferred to the Soviet Government under the Agreements of May 30, 1945 and October 15, 1945.

In order to provide a basis for determination of the fair value of "civilian-type" articles remaining in Soviet custody at the war's end, the Government of the United States carefully compiled from its own records a detailed estimated inventory of such articles. In preparing this inventory most liberal allowances were made for wartime losses. The value of this inventory at landed cost less most liberal allowances for the depreciation amounted to a total of \$2.6 billion. The Government of the United States, in an effort to arrive at a mutually satisfactory sum representing the fair value of these articles to the Soviet peacetime economy, initially proposed the sum of \$1.3 billion repayable in thirty annual installments beginning five years after July 1, 1946, with interest at 2 percent per annum accruing from July 1, 1946 and payable annually thereafter. Subsequently, in a further effort to speed the negotiations to a mutually satisfactory conclusion, the Government of the United States expressed its willingness to accept still lesser sums, first by proposing the amount of \$1 billion and later the amount of \$800 million. Furthermore, in the interest of a prompt settlement, the Government of the United States has repeatedly indicated its readiness to

reduce further this sum provided that the Soviet Government on its part would increase its present offer to a sum more nearly reflecting the value of the articles to the Soviet peacetime economy.

The Soviet Government has taken the position that a lend-lease settlement, in the first place, must take into account the Soviet contribution to the victory against the common enemy, and secondly, must conform with other existing lend-lease settlements. The Soviet Government, however, has cited only the settlement with the British Government.

With regard to the first principle put forward by the Soviet Government, the Government of the United States believes that it has given full recognition to the Soviet contribution to the defeat of the common enemy by writing off completely the entire lend-lease contribution of the United States to the Soviet war effort and asking payment only for those "civilian-type" articles remaining in the Soviet Union at the war's end. It is to be noted that total lend-lease assistance provided by the United States to the Soviet Union during the war amounted to approximately \$10.8 billion and represented a vast contribution of the skills, labor and resources of the United States to assist the peoples of the Soviet Union in the defeat of the aggressor nations. It is also to be noted that the amount of compensation now proposed by the Government of the United States is \$800 million. From these facts it may be clearly seen that the Government of the United States has asked no payment for war-time lend-lease aid totaling approximately \$10 billion. This represents, on the part of the Government of the United States, great recognition of the community of interest of our two Governments in the achievement of the common victory and takes full cognizance of the part played by the Soviet Government in this effort.

With regard to the Soviet contention that a lend-lease settlement must conform to "precedents", specifically the settlement with the British Government, the Government of the United States has invited the attention of the Soviet Government to the fact that the Government of the United States has never agreed to give most-favored-nation treatment in connection with any lend-lease settlement. Nevertheless, the Government of the United States has in fact sought to reach a lend-lease settlement with the Soviet Government on the basis of the same principles which were observed in the settlement with the British Government. In accordance with these principles the British Government was not asked to pay for lend-lease articles lost, destroyed or consumed in the war; nor was payment asked for "military-type" articles remaining in the United Kingdom at the end of the war. Payment was requested only for the fair value of "civilian-type" articles remaining in the United Kingdom at the war's end. The Soviet Government, however, has repeatedly and categorically refused to reach a settlement on the basis of these principles.

It will be recalled in this connection that, unlike the British Government, the Soviet Government while refusing to furnish an inventory of lend-lease articles remaining in existence at the end of the war, has declined also to consider the estimated inventory provided by the Government of the United States as a basis for settlement. The Soviet Government has instead sought to make settlement on the basis of the total lend-lease furnished and has had recourse to extraneous analogies not germane to the British settlement.

The Soviet Government has thus refused to accept the very principles on which it insists and upon which the settlement with the British Government was based. The Government of the United States must, therefore, reject the contention of the Soviet Government that its offer fully conforms to the British settlement.

The Soviet Government, on the basis of its own principles, has offered to pay to the Government of the United States a "global" sum first in the amount of

\$170 million, later increased to \$200 million and more recently has made an offer of \$240 million stated by Soviet representatives to be "final". The Soviet Government proposes that payment of this sum should be made over a period of 50 years with interest at 2 percent per annum, but with payment of interest and principal beginning five years after the conclusion of the agreement. The Government of the United States considers the amount and terms of the offer of the Soviet Government to be inadequate and unreasonable.

In these circumstances the Government of the United States must point out that four years of direct negotiations between our two Governments have yielded little progress toward a settlement of this issue. Therefore, in order to achieve a solution satisfactory to both sides, the Government of the United States proposes that there be submitted to an arbitral panel consisting of three members, one each to be appointed by the Government of the United States and of the Union of Soviet Socialist Republics and a third member to be appointed by the President of the International Court of Justice, the question of what would be fair and reasonable terms of financial settlement by the Soviet Government for the lend-lease articles having civilian utility, except ships, which were not lost, destroyed or consumed during the war and which were not returned to the United States.

The Government of the United States expresses its hope that the Government of the Union of Soviet Socialist Republics will agree to treat the decision of such an arbitral panel on this question as binding upon both Governments and will accept this proposal as a practical means of reaching final agreement on this issue.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON

## EXHIBIT C

FOR THE PRESS

No. 16

DEPARTMENT OF STATE, *January 9, 1952.*

His Excellency ALEXANDER S. PANYUSHKIN,  
*Ambassador of the Union of Soviet Socialist Republics.*

On January 7, 1952, the Honorable Dean Acheson, Secretary of State, transmitted a note to the Soviet Ambassador at Washington, Alexander S. Panyushkin, replying to the Soviet notes of August 21 and August 28, 1951.

The Soviet note of August 21 once again rejects the requests of the United States that the Soviet Government return all lend-lease vessels.

The Soviet note of August 28 rejected the proposal of the United States, made on April 27, that the question of a satisfactory lend-lease financial settlement be submitted to international arbitration.

The Secretary's note of January 7 points out that the Soviet Government is clearly in default on its obligations by not returning lend-lease vessels to the U. S. and states that the return of all lend-lease vessels is essential to the conclusion of a satisfactory lend-lease settlement. It suggests, however, that the question of the return of the vessels be resolved by the submission of the matter to the International Court of Justice for adjudication.

### UNITED STATES NOTE OF JANUARY 7, 1952

EXCELLENCY: I have the honor to refer to your Government's Note No. 71 of August 21, 1951 concerning the request of the Government of the United States that the Soviet Government return to the United States naval, military and merchant vessels loaned to your Government under the Lend-Lease Act and the Master Lend-Lease Agreement of June 11, 1942. I also have the honor to refer to your Government's note No. 73 of August 28, 1951 concerning the proposal of the Government of the United States that the question of the determination of a fair and reasonable lend-lease financial settlement be submitted to arbitration.

In the latter note your Government rejects the proposal of the Government of the United States that the question of a satisfactory financial settlement be submitted to arbitration. In addition a verbal proposal of \$300 million was made by the Soviet representative on August 24, 1951. It was indicated at that time that the Government of the United States considers this amount as far from fair and reasonable compensation for lend-lease articles of the United States which remained in Soviet custody at the end of the war. Furthermore, in your note of August 21, 1951, your Government again indicates that it does not intend to meet its obligation to return the lend-lease vessels as requested by the President of the United States. Instead your Government continues to evade this obliga-

tion, which is clearly and specifically stated in Article V of the Lend-Lease Agreement of June 11, 1942, to return lend-lease articles as requested by the President of the United States. In attempting to justify its evasion of this obligation your Government refers to "understandings" relating to the sale of some of the vessels.

These so-called "understandings", however, were offers made long ago by the Government of the United States which were explicitly conditioned upon the prompt conclusion of a mutually satisfactory over-all lend-lease settlement. This condition was not met by your Government. Therefore, the Government of the United States, acting within its legal rights and in full accord with the terms of the Lend-Lease Agreement of June 11, 1942, informed representatives of the Soviet Government on January 27, 1951, that all of the lend-lease vessels which were loaned to the Soviet Government under lend-lease procedures and remain the property of the Government of the United States, are of use to the Government of the United States; and, at the same time, the return of these vessels to the United States was requested in accordance with Article V of the Lend-Lease Agreement of June 11, 1942. Moreover, on the same date representatives of the Soviet Government were informed that the previous conditional offers by the Government of the United States to sell some of the vessels had long since lapsed and that none of the vessels were available for sale to the Soviet Government. On February 7, 1951, the Government of the United States confirmed in a note its request for the return of all the lend-lease vessels.

It is to be noted that on October 12, 1948, the Government of the United States demanded the return to the United States of 186 naval craft in addition to 3 icebreakers and 28 frigates. These 186 vessels at no time had been offered for sale to the Soviet Government on any basis. Even in this instance the Soviet Government has refused to meet its obligation.

It is the view of the Government of the United States that the return of all lend-lease vessels is essential to the conclusion of a satisfactory over-all lend-lease settlement. It is also the view of this Government that the Soviet Government is clearly in default on its obligations by not returning these vessels to the United States.

If the Soviet Government remains unwilling to return these vessels to the United States, the Government of the United States suggests that the question be resolved by submission of the matter to the International Court of Justice for adjudication. For that purpose, the Government of the United States proposes that the Soviet Government join with it in submitting the following question to the Court with the understanding that both Governments will be governed by the Court's decision.

"Does the failure of the Soviet Government to return lend-lease vessels to the United States, as requested by the Government of the United States, constitute a default by the Soviet Government in its obligation under Article V of the Master Lend-Lease Agreement of June 11, 1942, to return lend-lease articles when so requested?"

The Government of the United States therefore requests that the Soviet Government immediately make the necessary arrangements for the return of the lend-lease vessels as requested or agree to the submission of the question of the vessels as stated above to the International Court of Justice for adjudication.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON

UNOFFICIAL ENGLISH TRANSLATION OF SOVIET NOTE OF AUGUST 21, 1951

His Excellency DEAN G. ACHESON,

*Secretary of State of the United States of America.*

SIR: In connection with your note of April 6, 1951 I have the honor to communicate the following:

The references in your note to a previous exchange of notes fully confirm the fact that an understanding concerning the sale of lend-lease vessels to the Soviet Union was reached earlier between the Governments of the U. S. S. R. and the U. S. A. At the same time these references indicate that the Government of the U. S. A. itself valued this understanding as a necessary part of a mutually satisfactory general settlement of lend-lease obligations resulting from the Soviet-American agreement of June 11, 1942.

Thus, it is stated in the note of the Government of the U. S. A. of February 27, 1948, in connection with the agreement of the Government of the U. S. S. R. to buy 36 merchant vessels of wartime construction received under the Lend-Lease Act at prices announced by the United States, that the agreement of the Soviet Government concerning these vessels "solves one of several questions necessary for a general satisfactory settlement of obligations" resulting from the Soviet-American agreement of June 11, 1942.

In the note of the Government of the U. S. A. of August 8, 1949 agreement was expressed to sell to the Soviet Union lend-lease merchant vessels of pre-war construction for the sum of 13 million dollars offered by the Soviet Government and it was also indicated that "the agreement on this question satisfactorily solves one more of several questions of a general settlement". By requesting the return of all lend-lease vessels now, the Government of the U. S. A. violates the understanding reached earlier concerning the sale of the merchant vessels and some of the naval vessels to the Soviet Union, in which connection a legitimate doubt arises in the mind of the Soviet Government as to the earnestness of the statements of the U. S. Government concerning its desire to reach a speedy and mutually satisfactory general settlement of lend-lease accounts. The United States Government's renunciation of the understanding reached on individual questions can only make the achievement of a general settlement more difficult.

As has been repeatedly stated earlier, the Government of the U. S. S. R. longs for a very rapid achievement of an agreement with the Government of the U. S. A. concerning a full and final settlement of lend-lease accounts and has repeatedly sent its representatives to Washington to conduct negotiations with the representatives of the United States. It is toward this very goal that the efforts are directed of the Soviet representatives in the lend-lease negotiations which were resumed on January 15 of this year in Washington and are taking place at the present time. For this very purpose there is also a Soviet naval expert in Washington.

It is well known that in the course of the previous negotiations and exchange of notes the Soviet Government, guided by the ardent desire to achieve an agreement with the Government of the U. S. A., made essential concessions and introduced a number of constructive proposals which create the possibility of a successful completion of the negotiations concerning the settlement of lend-lease accounts.

In the light of the foregoing, the attempts of the Government of the U. S. A. to justify its renunciation of the understanding reached earlier concerning the lend-lease vessels by referring to the alleged avoidance by the Soviet party [to the negotiation] of the achievement of a speedy and satisfactory settlement and hence the nonfulfillment of the conditions under which these vessels could be sold, are groundless, and run counter to the true state of affairs.



Insisting, in spite of the understanding, on the return of an insignificant number of merchant vessels by the Soviet Union while three-fifths of the whole tonnage of the merchant marine of the U. S. S. R. is laid up, and also requesting the return of an insignificant number of very dilapidated small naval vessels while much larger naval ships are being sold up to this time by the United States to other countries, the Government of the U. S. A. takes a position which appears as discrimination with respect to the Soviet Union and which contradicts the principles of the agreement between our countries of June 11, 1942 and obviously makes the achievement of an agreement difficult.

The Soviet Government considers that a steadfast observance of the understanding reached earlier is a necessary condition for the achievement of a general and mutually satisfactory settlement of lend-lease accounts.

Accept, Sir, the assurances of my high considerations.

B. KARAVAEV  
(*Chargé*)

UNOFFICIAL ENGLISH TRANSLATION OF SOVIET NOTE OF AUGUST 28, 1951

His Excellency DEAN G. ACHESON,

*Secretary of State of the United States of America.*

SIR: In connection with your note of April 27, 1951, which contains the proposal of the United States Government to transfer to an arbitration court for decision the question of payment for the residue of lend-lease in the Union of Soviet Socialist Republics, I have the honor, on the instructions of the Government of the U. S. S. R., to communicate the following:

The Government of the Soviet Union is aiming as before at the quickest attainment of agreement with the Government of the U. S. A. on a full and final settlement of the lend-lease accounts by means of bilateral negotiations. From the practice of international relations it is well known that, in the presence of good will on the part of both negotiating parties, it is just such bilateral negotiations which are the best and most rapid way of attaining a mutually satisfactory agreement. The agreements on payment for the use in the U. S. S. R. of the patents on oil-refining processes, which were achieved in the course of the present negotiations between the U. S. S. R. Purchasing Commission in the U. S. A. and four American firms, can serve as an example of this. Implementation of the proposal of the United States Government regarding transfer to an arbitration court for decision of the question of payment for lend-lease residue would mean the termination of direct bilateral negotiations between the Governments of the U. S. S. R. and the U. S. A. and would in essence represent a rejection of the very possibility of achieving agreement on a full and final settlement of the lend-lease accounts.

The Government of the United States tries to base its proposal on the fact that direct negotiations regarding the overall sum have not resulted in the achievement of an agreement on this question. However, it is well known to the Government of the U. S. A. that such an agreement was not achieved only because the American side set an excessively high sum as compensation for the residue of lend-lease goods of the so-called "civilian type".

The United States Government indicates in its note that it tried to reach an agreement on lend-lease with the Soviet Union allegedly on the basis of those principles which were applied in the settlement of the accounts of the U. S. A. with Great Britain. This statement does not correspond with reality either with regard to the size of the overall sum of compensation or with regard to the conditions of its payment.

Lend-lease deliveries to the Soviet Union were, it is known, at least two times less than the deliveries made by the United States to Great Britain. Moreover,

the figure of \$800,000,000 set by the United States Government for the lend-lease residue in the U. S. S. R. is almost twice as large as the sum subject to payment by Great Britain, which, as is known, consisted of \$472,000,000. The American side tries to base the excessively high sum of compensation proposed to the Soviet Union on an arbitrary division of lend-lease residue into articles of "civilian" and "military" types. In this connection it is appropriate to point out that with regard to the U. S. S. R. the American Government unfoundedly counted as articles of "civilian" type many articles which were considered as articles of "military" type in the accounts of the U. S. A. with Great Britain.

Naturally such a discriminatory attitude toward the Soviet Union cannot contribute to the settlement of the lend-lease accounts.

From a comparison of the conditions proposed to the Soviet Union for the payment of compensation with the conditions on which were settled the lend-lease accounts with Great Britain, it is also seen that the credit conditions proposed to the Soviet Union place the U. S. S. R. in a significantly worse position than Great Britain. The conditions proposed to the Soviet Union provide for the payment of compensation in thirty annual installments with payments beginning from July 1, 1951, and with the calculation of interest during several years before the signature of the agreement, while at the same time for Great Britain these conditions provide for payment of compensation in fifty annual installments with payments beginning and interest calculated only from five years after the conclusion of the agreement. From a comparison of these conditions, it follows that with the same nominal two percent annual interest rate, the interest rate paid by Great Britain proves to be significantly lower and for the Soviet Union significantly higher than the indicated nominal rate.

Thus the proposals of the United States Government with regard to the size of the total amount and the conditions of its payment have a discriminatory character and therefore cannot be a basis for a mutually satisfactory agreement.

Such proposals advanced by the United States Government contradict the principles of the June 11, 1942 agreement, according to which the final lend-lease settlement must be made with calculation of the advantages received by the Soviet Union from the U. S. A. as well as those advantages which the U. S. A. received from the military efforts of the Soviet Union, whose huge contribution in the attainment of victory over the common enemy is generally known.

In its note the United States Government states that it is not asking payment for lend-lease articles used by the Soviet Union in the war period and that this fact allegedly bears witness that it fully recognizes the contribution of the Soviet Union to the victory over the common enemy. Such a statement by the American Government is at least misplaced, since according to the basic lend-lease agreement between the U. S. S. R. and the U. S. A. of June 11, 1942 the U. S. A. has no grounds for raising the question that the Soviet Union compensate the United States for the value of the lend-lease articles delivered to the Soviet Union and destroyed, expended, or used during the war period. The agreement of June 11, 1942, obligates the Government of the United States to calculate precisely at the time of settlement of the lend-lease residue accounts, the contribution of the Soviet Union to the military efforts against the common enemy and all advantages which the United States Government received from the operation of this agreement. As is known, according to the definition of President Roosevelt set forth in the preamble of the basic lend-lease agreement "the defense of the Union of Soviet Socialist Republics against aggression is vital to the defense of the United States". This means that all deliveries of lend-lease articles to the Soviet Union were made for purposes vitally important to the United States of America. The position taken by the United States Government in the negotiations for settlement of the lend-lease accounts does not correspond with this agreement and

contradicts the allegation contained in the note that the Government of the United States gives "great recognition of the community of interest of our two Governments in the achievement of the common victory and takes full cognizance of the part played by the Soviet Government in this effort."

The agreement between the U. S. S. R. and the U. S. A. of June 11, 1942, is not a commercial transaction or loan; its very title states that it is an agreement regarding the "principles applied to mutual aid in the prosecution of the war against aggression". In this connection the reference contained in the note of April 27, of this year that "the Government of the United States has never agreed to give most-favored-nation treatment in connection with any lend-lease settlement whatsoever" can scarcely fail to call forth astonishment. Taking a discriminatory position toward the U. S. S. R. in the question of settlement of the lend-lease accounts, the United States Government by this very fact ignores the principles serving as the basis of the lend-lease agreement of June 11, 1942. Such a position of the United States Government contradicts its affirmation of striving to attain a quick, mutually-satisfactory agreement on the settlement of the lend-lease accounts.

In the light of what is set forth above and also in view of the fact that in the lend-lease agreement of June 11, 1942, such a system of settling disagreements was not provided for, the Soviet Government considers unacceptable the proposal of the United States Government for arbitration, advanced in its note of April 27, 1951.

The Soviet Government again reaffirms its readiness to settle the lend-lease accounts by means of direct bilateral negotiations and expresses the hope that in the future course of these negotiations the Government of the U. S. A. will show the necessary cooperation for the rapid conclusion of the negotiations.

Accept, Sir, the assurances of my highest consideration.

B. Karavaev  
(Chargé)

## PORT PROJECT AT MONROVIA, LIBERIA

The participation of Liberia as a lend-lease beneficiary government actually began before any formal lend-lease agreement was drawn up and signed with the United States. Liberia was declared eligible for lend-lease aid on March 10, 1942, and soon thereafter, on March 31, 1942, an agreement (non-lend-lease) "for the defense of Liberia" was concluded; under its special terms small amounts of equipment were furnished by the United States to fill emergency needs. This agreement also paved the way for subsequent lend-lease cooperation with Liberia such as port-construction and air-landing rights.

An agreement based "on principles applying to mutual aid" and made under the authority of the Act of March 11, 1941, was signed by the two governments on June 8, 1943; within its terms it covered and included "all acts, conditions, and formalities which it may have been necessary to perform, fulfill, or execute prior to the making of such arrangement" and made provisions for the extension of further lend-lease aid.

The Governments of the United States and Liberia signed an agreement on December 31, 1943 (Executive Agreement Series 411—58 Stat. 1357), under which the United States agreed to make lend-lease funds available "for the construction of a port, port works, and access roads" at Monrovia. It was agreed that the port would be managed by an American company, incorporated in the United States and approved by the United States Government. The agreement also provided that the net revenue from the operation of the port would be paid to the United States Government until the total amount paid equalled the cost of the construction of the port, port works, and access roads. The total cost to the United States Government of the construction of this port will approximate \$20,000,000.

The United States Department of the Navy acted as the operating agency for the actual construction work. The port was completed in 1950 but had been opened for business in July 1948. Included in the port are two rock break-waters inclosing a dredged channel and turning basin, with sea wall; a 2,000-foot marginal wharf; and nearby a large transit shed, oil-storage facilities, and other loading and storage equipment. As a part of the access roads, a steel and concrete bridge, known as the Tubman Bridge, was built across the St. Paul River to connect the rich Western Province of Liberia to Bushrod Island, where the port is located. The funds used for this bridge were residual lend-lease appropriations which the Congress specifically

made available for this purpose in the First Deficiency Appropriation Act, 1948, which was approved May 10, 1948 as Public Law 519, Eightieth Congress (62 Stat. 227).

The port is being operated by a management company known as the Monrovia Port Management Company, Ltd., a Delaware corporation owned by a number of United States companies having business interests in Liberia. The management company operates under a port management contract with the Government of Liberia and approved by the United States Government, and receives a stated fee for its services in managing the port. The Department of State is the United States Government agency charged with protecting the Government's interests in the port. An interdepartmental committee has been formed, with members from the Army, Navy, and Commerce Departments together with the Department of State and, from time to time, a representative of the Port of New York Authority, in order to review the operation of the port and to give advice and counsel on matters which affect the United States Government interests in the port.

The operation of the port has proved more successful from the financial point of view than was generally anticipated before it was opened for business. The gross revenue for the calendar year 1950 was \$489,578.12 and the first amortization payment from the Government of Liberia in the amount of \$50,000 is expected soon.

The presence of the port at Monrovia has had a most salutary influence upon this country's relations with Liberia. The principal instrument of United States foreign policy in Liberia is its technical assistance and development program. This program would be impossible of achievement without the modern port facilities built there by the United States. Liberia's national output has shown a substantial rise in recent years and the port is in no small measure responsible for helping bring this about. Consequently, Liberia is becoming stronger in the economic and social, as well as the political spheres. This improvement in conditions in a nation so closely associated with the United States stands as concrete proof of many United States statements regarding its relationship with under-developed regions.

## RECIPROCAL AID—"REVERSE LEND-LEASE"

A study of the fiscal statements appearing in the appendix of this report should include consideration of that now often overlooked reciprocal-aid assistance received from our World War II allies in the form of what is popularly termed "reverse lend-lease."

Under the act of March 11, 1941, establishing lend-lease, "the benefit to the United States may be payment or repayment in kind or in property, or any other direct or indirect benefit which the President deems satisfactory." On May 9, 1941, the President authorized the receipt of reverse lend-lease as a benefit under the act.

As is generally known, reverse lend-lease consisted of goods, services, and information provided to the United States by our allies without call for immediate payment and on terms comparable with those under which lend-lease aid was being furnished by the United States.

In addition to the goods and services thus received by the Government, reverse lend-lease from certain countries was forthcoming through reimbursement to the United States of purchase expenditures when the character of such purchases was later determined to have been eligible as reciprocal aid.

As the war tempo increased, a steadily increasing amount of reciprocal aid was furnished us by countries of the British Commonwealth of Nations. Also, when and as needed large amounts were made available to us by the French Committee of National Liberation and by Belgium.

Detailed information, including the several categories involved and the respective amounts, was reported on page 28 of the Twenty-ninth Report to Congress on Lend-Lease Operations. The aggregate amounts, supplied to the United States by those countries with which there were reciprocal aid agreements, are:

Belgium.....	\$191, 215, 983. 35	
British Empire.....	6, 752, 073, 165. 40	50
China.....	3, 672, 000. 00	
France.....	867, 781, 244. 70	
The Netherlands.....	2, 367, 699. 64	
U. S. S. R.....	2, 212, 697. 81	
Total.....	7, 819, 322, 790. 90	

These accounts have been recognized in each instance where lend-lease settlement agreements have been reached.

Throughout a critical period in world history, our World War II allies thus faithfully discharged the common undertaking "to contribute to the defense of the United States of America and the strengthening thereof" by their efforts to "provide such articles, facilities, services, and information as they may be in a position to supply."

## SILVER ACCOUNTS

During World War II a total of 409,782,670.47 fine troy ounces of silver bullion valued at \$291,401,009.67 was transferred to Australia, Belgium, Ethiopia, India, the Netherlands, Saudi Arabia, and the United Kingdom. Some of these countries sought the silver for coinage while others required it for industrial use or for currency stabilization. The transfers were made under the Lend-Lease Act.

Agreements, which vary somewhat in form, were executed with each Government. These agreements provide, in general, that the recipient country will return the silver to the United States Treasury within 5 years after the end of "the existing national emergency in the United States as determined by the President of the United States." Some of the agreements also contain a provision that, if the conditions of the world supply of silver make it advisable, the 5-year period may be extended by agreement of both Governments for an additional 2 years. The agreements specify that the recipient Government shall return an amount of silver bullion of not less than the equivalent in fineness and the equivalent in quantity and form to the silver transferred.

The silver was purchased from the Treasury Department with lend-lease funds. Some of it was minted into coins in this country before transfer, while in other cases it was turned over in the form of bullion. The largest amount (more than half) was received by India and the next largest by the United Kingdom. The loan of this silver, though handled under lend-lease procedures, always has been kept separate and apart from other lend-lease transactions, and the lend-lease settlement agreements made with certain of these governments specifically exclude the silver from the terms of settlement.

Though the quantities involved, purposes for which used, and the terms of the different agreements vary to some extent, a few factors apply consistently throughout; for example, the same price per fine troy ounce of 71½ cents was used in computing the dollar value of all the silver, and all of the agreements contain some provision for the return of the silver within 5 or possibly 7 years, after the termination of the national emergency in the United States. The national emergency referred to is that covered by Presidential Proclamations issued on September 8, 1939, and May 27, 1941, which will be terminated with the official ending of the wars with Germany and Japan.



Of the seven countries to which silver was lend-leased, six still retain the silver. Belgium, in 1947, returned the silver loaned to it. Since the national emergency referred to in the agreements has not been terminated at the close of the period covered by this report, the time period specified in each agreement has not begun.<sup>1</sup>

RECAPITULATION		
<i>Government</i>	<i>Fine troy ounces</i>	<i>Dollar valuation</i>
Australia.....	11, 772, 730. 21	\$8, 371, 719. 25
Belgium.....	*261, 333. 33	185, 837. 03
Ethiopia.....	5, 425, 000. —	3, 857, 777. 78
India.....	225, 999, 903. 83	160, 711, 042. 72
The Netherlands.....	56, 737, 341. 25	40, 346, 553. 70
Saudi Arabia.....	21, 316, 120. 01	15, 158, 129. 77
United Kingdom.....	88, 270, 241. 84	62, 769, 949. 42
Total.....	409, 782, 670. 47	291, 401, 009. 67

\* Returned to United States Treasury in 1947.

## CONCLUSION

In the preceding pages of this report there have been presented separate sections concerned with such subjects as lend-lease payments and settlements, the status of current settlement negotiations, a description of the origin, development and prospects relating to the port project in Liberia, and such collateral lend-lease subjects as silver-loans accounts and reciprocal aid.

The appendixes which follow include up-to-date reportings covering lend-lease fiscal operations and other informative material designed to aid those who may be interested in studies of the broader aspects of lend-lease.

<sup>1</sup> The effective period, however, began to run before this report went to press, viz.: Apr. 28, 1952, pursuant to a proclamation of the President issued on that day.

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## **APPENDIXES**

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## APPENDIX I

### LEND-LEASE FISCAL OPERATIONS

The Treasury Department, pursuant to Executive Order 9726 of May 17, 1946, is responsible for the preparation and publication of fiscal data relating to lend-lease operations. The last previous report in comprehensive form was published in the Twenty-ninth Report to Congress on Lend-Lease Operations covering the period ending June 30, 1949.

On the following pages, and reflecting changes which have taken place since the last report up to and including December 31, 1951, there may be found identified as appendixes I(a), I(b), and I(c) full summaries of total defense aid provided; cumulative aid by countries from the beginning of the lend-lease programs through December 31, 1951; and post VJ-day aid provided by country for the period from September 2, 1945, through December 31, 1951.

While these data, under their respective titles, reflect defense aid values actually furnished by the United States it should be noted that, in the cases of certain of the countries named, because of reciprocal aid supplied by them to the United States, the net aggregate of the accounts of each of those particular countries is substantially less than as shown in these statements. A report on reciprocal aid will be found on page 27.

## APPENDIX I (a)

*Summary statement of defense aid provided, cumulative through Dec. 31, 1951*

SOURCE OF FUNDS	
From appropriations to:	
Lend-Lease Administration appropriation-----	\$25, 131, 436, 735. 49
Less: Obligations in excess of reports of defense aid provided-----	26, 975, 638. 86
	<u>\$25, 104, 461, 096. 63</u>
Department of the Army appropriations-----	19, 527, 175, 620. 28
Department of the Navy appropriations-----	4, 757, 623, 070. 76
Maritime (W. S. A.) appropriations-----	620, 647, 410. 38
From foreign government funds-----	221, 503, 783. 49
Less: Obligations in excess of reports of defense aid provided-----	
	<u>1 221, 503, 783. 49</u>
From reissues of returned lend-lease articles-----	1, 042, 394. 71
Total-----	<u>\$50, 232, 453, 376. 25</u>
DEFENSE AID PROVIDED	
Charged to foreign governments:	
Materials-----	46, 995, 915, 543. 25
Services and other expenses-----	1, 247, 536, 478. 55
Aid furnished through commanding generals-----	680, 351, 211. 72
	<u>48, 923, 803, 233. 52</u>
Not charged to foreign governments:	
Construction in U. S. to facilitate lend-lease-----	720, 803, 118. 11
Administrative expenses-----	40, 113, 026. 92
Losses on inventories and facilities-----	31, 172, 831. 39
Miscellaneous charges-----	516, 561, 166. 31
	<u>1, 308, 650, 142. 73</u>
Total aid provided-----	<u>50, 232, 453, 376. 25</u>

<sup>1</sup> In addition, the foreign governments have paid approximately \$950 million to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the General Fund of the Treasury.

APPENDIX I (b)													
Statement of defense aid provided by country and by appropriation category, cumulative through Dec. 31, 1961													
	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial and other commodities	Testing, reconstruction, etc., of defense articles	Services and expenses	Administrative expenses		
ALLOTTED TO FOREIGN GOVERNMENTS													
American Republics:													
Bolivia.....	85,523,017.51	8,114,489.07	84,325,246.04	878,375.67	517.19	8020,373.57	2202,058.18	570,886.27		821,029.43			
Brazil.....	361,303,036.96	42,550,512.31	81,326,845.99	25,811,155.77	82,122,523.13	38,879,242.82	7,796,102.17	29,353,981.12	83,404,873.28	12,070,983.01			
Canada.....	8,248,446.18	7,580,652.31	7,808,246.17	434,042.08	4,041,170.72	815,566.63	637,490.30	666,712.74	38,478.56	994,515.91			
Chile.....	6,531,280.35	31,422.48	1,998,571.07	522,722.88	2,037,465.97	645,094.69	5,225.88	25,062.03	887,616.76	27,058.46			
Cuba.....	1,657,267.10	18,416.46	400,712.25	180,416.46	831,269.31	382,551.09		7,064.40	4,869.29	4,869.29			
Dominican Republic.....	7,724,772.90	116,315.62	1,339,837.27	2,261,824.86	290,495.84	889,102.73	1,892,085.16	19,721.63	206,886.59	8,547.45			
Ecuador.....	9,005,000.00	146,114.00	429,866.02	290,495.84			18,923.18	18,903.62	1,831.90	41,559.59			
El Salvador.....	1,423,147.25	46,798.22	257,271.20	146,346.97	171,999.05	665,460.86	3,281.50	10,721.51	2,823.57	20,232.51			
Haiti.....	863,366.24	46,798.22	257,271.20	146,346.97	171,999.05	665,460.86	3,281.50	10,721.51	2,823.57	20,232.51			
Honduras.....	30,275,946.20	7,980,616.76	10,070,815.57	3,023,711.17	3,280,520.50	2,615,843.51	555,038.56	1,459,614.28	2,662,903.58	1,323,930.84			
Mexico.....	867,152.95	46,798.22	466,248.01	13,446.75	45,660.07		268.23			11,323.93			
Panama.....	1,914,492.83	139,738.50	947,455.84	399,802.67	484,622.15	159,481.32		466,595.70	82,141.27	20,232.51			
Paraguay.....	14,914,471.52	2,617,389.50	4,322,005.00	1,653,624.98	4,140,602.44	1,712,886.00	1,329,484.91	446,595.70	82,141.27	66,284.69			
Uruguay.....	7,132,260.51	1,180,000.24	1,717,705.60	1,240,606.15	1,340,861.04	689,666.77	10,426.55	6,945.36	15,894.20	20,444.61			
Venezuela.....	4,583,472.52	608,855.74	1,564,210.07	777,311.83	790,868.24	517,293.04		861.15	183,114.47	20,444.61			
Total American Republics.....	693,021,947.22	65,361,330.94	141,401,194.86	70,852,265.93	88,537,847.23	50,768,060.57	10,794,706.91	32,387,286.36	8,837,376.32	11,570,777.10			
Other governments:													
Belgium.....	156,234,519.09	564,653.22	768,815.99	15,203,306.49	16,007,339.05	17,871,356.42	18,313.39	104,810,071.00	43.82	413,584.15			
British Empire.....	31,410,812,206.15	3,066,973,497.93	6,420,011,811.45	3,803,943,205.43	5,494,128,136.59	9,164,202,372.34	317,837,212.65	9,449,006,007.91	425,401,741.88	127,714,336.26			
China.....	1,497,274,112.65	271,008,641.34	231,487,694.27	100,546,921.79	85,561,066.99	149,272,072.08	1,965,002.07	80,423,042.84	206,732.51	690,548,998.07			
Czechoslovakia.....	653,482.20							4,000,618.71		17,200.80			
France.....	4,002,011.71							4,000,618.71		192,113.07			
Germany.....	2,446,427.76	8,447.36						21,086.56		619,687.01			
Greece.....	5,151,480.00	834,201.08	121,236.75					4,338,316.45		5,174.69			
India.....	3,200,656,471.02	285,016,673.18	948,728,816.04	428,022,126.00	293,703,237.07	651,000,447.86	2,318,158.75	1,106,115,741.82	61,001,033.70	97,000,218.36			
Iran.....	81,424,112.31	4,477,626.25	181,111.05					3,524,418.53	57,555.89	8,433.75			
Israel.....	2,366,846.16	42,286.43						2,366,846.16		119,901.22			
Italy.....	893,469.07							887,254.43		200.14			
Japan.....	147,428.92							135,145,221.06		667,265.84			
Liberia.....	18,151,713.47	153,711.90	78,746,981.27	7,537.40	15,812,264.59	83,132.49		101,388,791.73	5,171,050.40	17,041,792.76			
Netherlands and possessions.....	246,500,309.92	15,159,402.47	15,802,309.92	4,149,039.00	10,849,186.99	11,841,433.41		20,028,000.80	23,028.80	117,628.72			
Norway.....	17,032,868.98	1,137,026.70	40,921.25					6,623,905.81	418,962.42	180,657.80			
Philippines.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
Portugal.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
Romania.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
Spain.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
Sweden.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
Switzerland.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
Turkey.....	12,032,868.98							6,623,905.81	418,962.42	180,657.80			
U.S.S.R.....	11,654,149,107.21	792,708,434.44	1,530,180,000.89	1,767,552,628.61	1,767,552,628.61	1,767,552,628.61	542,798,498.61	4,165,638,798.28	15,623,353.11	15,623,353.11			
Yugoslavia.....	32,188,817.52	1,699,534.41	1,103,184.45					5,324,449.25		535,555.44			
Total, other governments.....	48,430,781,206.30	4,435,427,830.40	8,621,677,654.90	6,245,128,863.34	7,280,761,837.48	8,896,032,213.58	928,027,396.62	15,230,899,330.59	639,911,032.17	1,277,063,793.45			
Total, charged to foreign governments.....	48,923,803,233.52	4,820,791,681.34	8,762,481,219.00	6,315,481,069.27	7,879,299,185.18	9,881,791,280.15	938,827,103.53	15,272,655,665.95	639,428,568.49	1,247,536,478.55			
NOT RECONSTRUCTED BY FOREIGN GOVERNMENTS													
China.....	31,172,831.39							31,172,831.39					
Facilities and equipment.....	220,803,118.11							220,803,118.11					
Administrative expenses.....	516,361,166.17	0,054,817.39	376,273.59	4,817,532.27	140,444,780.09	7,928,814.77	3,091,437.25	267,556,208.58	28,196,505.47	61,711,837.08			
Total, not distributed by foreign governments.....	1,308,630,142.73	9,054,817.39	376,273.59	4,817,532.27	140,444,780.09	7,928,814.77	714,765,807.31	291,129,129.89	28,196,505.47	61,711,837.08			
Total.....	50,232,433,376.25	4,829,846,528.73	8,762,857,522.85	6,320,298,601.54	7,319,745,065.27	9,889,683,493.73	938,827,103.53	15,563,554,995.84	667,625,073.96	1,309,248,315.63			
Transfers were made pursuant to arrangements described in the Twentieth Report to the Congress on Lend-Lease Operations, pp. 8 and 9.													
Transfers were made pursuant to arrangements described in the Twentieth Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.													
F100000000													



APPENDIX I (c)										
Statement of defense aid provided by country and by appropriation category, period Sept. 8, 1941, through Dec. 31, 1941										
	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, in- frastructure, and other nonmili- tary	Testing, record- keeping, etc., of defense articles	Services and expenses
CHARGES TO FOREIGN GOVERNMENTS										
American Republics:										
Brazil.....	8441,733.15		8441,584.15							8160.00
Colombia.....	6,712,605.99	8917,346.42	553,548.74	881,398.33	83,313,403.41	9334,286.16	87,794.29	-1,272,327.80		227,491.23
Cuba.....	105,411.29	60,710.00	29,694.74	161,381.20	79,629.75	18,099.92		13,653.21		191.23
Costa Rica.....	12,374.19			5,865.20						127.00
Ecuador.....	19,665.29	301.34	6,308.00		2,812.80	14.45		10,100.00		25.00
El Salvador.....	27,275.76		10,224.15		10,445.61	6,209.00				127.00
Honduras.....	561,717.03	18,148.51		510,553.41		33,271.18		24.30		634.00
Nicaragua.....	36,000.00									20.00
Panama.....	1,817,467.83	96,017.57	1,242,186.10			36,275.46				671.00
Paraguay.....	208,135.45	1,652.12	3,039.08	541.46	55,377.80	2,417.90		136,460.23		14,843.11
Peru.....	141.00									144.00
Uruguay.....	2,378.00	4,905.01	30,585.30	30,700.20	127,556.15	2,418.42	18,182.30	15,148.12		2,570.00
Venezuela.....	15,651.06		2,391.90			2,896.16		1,661.00		169.00
Total, American Republics.....	19,430,200.80	1,154,612.84	2,372,632.90	812,631.15	3,703,207.16	267,129.15	31,576.18	1,769,703.94		253,347.37
Other governments:										
Belgium.....	69,929,693.12			2,008,195.93	12,917,693.12	8,184,216.23		-7,611,149.48		6,120.98
British Empire.....	437,017,582.11	745,515.36	3,760,849.43	4,808,099.04	76,747,313.48	18,282,496.31	11,721.71	329,926,256.31	8180,771.80	4,778,248.90
China.....	782,551,514.13	117,609,670.19	43,681,661.63	90,909,010.08	45,940,642.37	99,752,436.45	89,198.71	37,318,628.71	2,358.88	337,001,867.53
Czechoslovakia.....	933.16							1,033.27		895.47
Demarest.....	4,000,445.71							1,600,418.71		30,243.77
Egypt.....	63,117.72					2,986.50				30,243.77
France and possessions.....	131,631,731.22	358,102.47	3,700,377.15	13,401,766.38	61,070,748.99	28,714,839.77	1,290.12	313,335,277.23		240,043.98
Greece.....	8,967,957.81				6,970,179.00	117.60		30,511.66		7,678.59
India.....	27,521.76							27,321.76		211.00
Italy.....	155,651,791.02			1,230,584.63	40,200,389.05	76,544.35		84,131,549.97		8,517.00
Japan.....	14,567,698.31							46,042,247.55	49,961.00	11,207,195.11
Netherlands and possessions.....	76,186,715.00	4,788,848.45	348,328.91	7,127,851.52	18,713,599.68	8,449,498.16		5,426,831.17	231,240.00	6,183.56
Norway.....	6,444,280.23	261.14	231,368.56		18.13	70,481.26	28,691.64			12,662.50
Poland.....	62,971.54							80,154.91		82.00
Saudi Arabia.....	4,467,734.85							4,467,652.05		15,143.80
Sri Lanka.....	74,525.84									10,206.52
U. S. S. R.....	270,179,007.67	200,612.25	15,781.62	8,811,260.28	21,127,896.01	8,946,489.61		7,498,239.79		2,591.20
Yugoslavia.....	75,699.00							73,188.40		
Total, other governments.....	2,238,616,186.40	124,537,511.61	31,741,501.29	128,401,776.04	281,167,096.66	168,151,823.05	7,556,865.65	1,119,434,218.96	473,195.68	357,099,166.26
Total, charged to foreign gov- ernments.....	2,248,046,387.29	125,692,154.45	54,114,354.00	129,277,427.19	284,930,308.82	168,413,938.10	7,588,472.13	1,121,184,012.90	473,195.68	357,352,513.93
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS										
Losses on inventories and facili- ties.....	21,832,508.50							21,832,508.50		
Miscellaneous charges.....	92,412,791.63	215.50		209,663.50	60,601,923.11	1,317,883.21		26,652,671.03		110,308.28
Total, not distributed by for- eign governments.....	119,265,300.13	315.50		209,663.50	60,601,923.11	1,317,883.21		48,305,209.53		110,308.28
Grand total.....	2,368,311,777.42	125,007,469.95	54,114,354.00	129,277,427.19	335,052,231.93	169,760,826.31	7,588,472.13	1,169,689,282.43	473,195.68	357,462,822.21

<sup>1</sup> Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pp. 8 and 9.  
<sup>2</sup> Transfers were made pursuant to arrangements described in the Twenty-third Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.







## APPENDIX II

### STATUS OF NATIONS

Continuing the publication of this table, which already has appeared in previous reports, there are outlined in the following pages the current status of each nation with respect to its lend-lease, reciprocal aid and other related basic agreements, the documents in which published agreements may be located, and other relevant data.

The table which is presented in this report also includes lend-lease settlements and all related agreements which had been concluded by December 31, 1951.

A loose-leaf publication entitled *United States Treaty Developments* has been issued by the Department of State. This work, brought periodically up to date by means of supplementary sheets, provides the date of each treaty or other agreement, a summary of its substance, statutory authority, where published, and whether modified, amended, renewed, or expired, as well as other pertinent information.

It should be noted also that many of the agreements have been printed in the publications identified in the table.

NOTE: A table also entitled "Status of Nations" appeared in earlier issues of the Report to Congress on Lend-Lease Operations, giving the dates of the signing of reciprocal aid agreements where agreements of that type were made, and the date on which each government signed the Declaration by United Nations of January 1, 1942 (not to be confused with the Charter of the United Nations signed in San Francisco in 1945).

## STATUS OF NATIONS

## KEY TO ABBREVIATIONS

L-L Rpt.—Report to Congress on Lend-Lease Operations.

TIAS—Treaties and Other International Acts Series (published by Department of State).

EAS—Executive Agreement Series (published by Department of State).

Stat.—United States Statutes at Large.

*Lend-lease and related agreements*

[As of Dec. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt., p. 24; EAS 271; 56 Stat. 1608.	June 7, 1946	23d L-L Rpt., p. 50; TIAS 1322; 60 Stat. 1707.	Mar. 8, 1945	Marine Transportation and Litigation, EAS 467; 59 Stat. 1496.
Belgium.....	June 13, 1941	June 16, 1942	EAS 254; 56 Stat. 1504.	Sept. 24, 1946	23d L-L Rpt., p. 61; TIAS 2064; 62 Stat. (3) 3984.	Jan. 30, 1943 Aug. 4, 1943	Reciprocal Aid, EAS 313; 57 Stat. 920. Acts of United States Armed Forces in Belgian Congo, EAS 395; 58 Stat. 1215.
						Apr. 19, 1945	Reciprocal Aid, EAS 481; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941		Nov. 22, 1947	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Dec. 6, 1941. (Final payment made and reported in 32d L-L Rpt., p. 2.)	May 19, 1945	Section 3 (c) Agreement <sup>3</sup> , 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Brazil.....	do.....	Mar. 3, 1942		Apr. 15, 1948	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 3, 1942.	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1797.

Burma.....			Apr. 19, 1950	Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to Lend-Lease Agreement of Mar. 3, 1942.	Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947. Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Canada.....	Nov. 11, 1941	Nov. 30, 1942	Mar. 14, 1949	Exchange of notes (for cash purchases); 28th L-L Rpt., p. 13; TIAS 1925.	May 26, 1943	Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Chile.....	May 6, 1941	Mar. 2, 1943	Feb. 28, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 2, 1943. (Final payment made and reported in 32d L-L Rpt., p. 2.)	Nov. 11, 1943	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301.
China.....	do	June 2, 1942		5th L-L Rpt., p. 306; EAS 251; 56 Stat. 1494.	Nov. 15, 1946	Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1582; 61 Stat. (3) 2520.
Colombia.....	do	Mar. 17, 1942	Apr. 13, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 17, 1942. (Final payment made and reported in 33d L-L Rpt., p. 3.)	May 21, 1943	Acts of Armed Forces, EAS 360; 57 Stat. 1428.
					June 14, 1946	Pipeline Agreement, 23d L-L Rpt., p. 69; TIAS 1533; 60 Stat. 1760.
Costa Rica.....	do	Jan. 16, 1942	Oct. 18, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Jan. 16, 1942.	June 28, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. (4) 3895.

See footnotes at end of table, p. 41.

## STATUS OF NATIONS

*Lend-lease and related agreements*

[As of Dec. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Cuba.....	May 6, 1941	Nov. 7, 1941	-----	Apr. 26, 1951	Final payment under Lend-Lease Agreement of Nov. 7, 1941; reported in 33d L-L Rpt., p. 3		
Czechoslovakia.....	Jan. 5, 1942	July 11, 1942	EAS 261, 56 Stat. 1562	July 25, 1947 Sept. 16, 1948	TIAS 1675; 61 Stat. (4) 3410. 28th L-L Rpt., p. 3; TIAS 1818; 62 Stat. (3) 2850.		
Dominican Republic.....	May 6, 1941	Aug. 2, 1941 Aug. 6, 1941	-----	Apr. 26, 1949	Final payment under Lend-Lease Agreement of Aug. 2, 1941; reported in 29th L-L Rpt., p. 1		
Ecuador.....	do.....	Apr. 6, 1942	(Supplement)	Feb. 12, 1951	Final payment under Lend-Lease Agreement of Apr. 6, 1942; reported in 32d L-L Rpt., p. 3		
Egypt.....	Nov. 11, 1941	Feb. 2, 1942	-----	May 26, 1950	Cash purchases only. Final payment under Lend-Lease Agreement of Feb. 2, 1942; reported in 32d L-L Rpt., p. 3		
El Salvador.....	do.....	Feb. 2, 1942	-----	May 20, 1949	29th L-L Rpt., p. 29; TIAS 1831		
Ethiopia.....	Dec. 7, 1942	Aug. 9, 1943	EAS 334, 57 Stat. 1043	May 20, 1949	23d L-L Rpt., p. 41; TIAS 1828; 61 Stat. (4) 4175.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 29; EAS 273; 56 Stat. 1614.
France.....	Nov. 11, 1941	Feb. 28, 1945	EAS 455, 59 Stat. 1304	May 28, 1946	Financial Settlement, 28th L-L Rpt., p. 4; TIAS 1936.	Sept. 25, 1943	Reciprocal Aid in French North and West Africa, 13th L-L Rpt., p. 66; EAS 483; 59 Stat. 1686.
				Mar. 14, 1949			
				do.....	Maritime Claims, 28th L-L Rpt., p. 10; TIAS 1935.	Feb. 28, 1945	Section 3 (c) Agreement, 3 EAS 455; 59 Stat. 1304.
				do.....		Feb. 27, 1948	Expenditures of U. S. Armed Forces, TIAS 1930; 63 Stat. (3) 3826.

Greece.....	Mar. 11, 1941	July 10, 1942	EAS 280; 56 Stat. 1559.	Sept. 30, 1946	Settlement under Lend-Lease Agreement of Nov. 16, 1942.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 392, 58 Stat. 1199.
Guatemala.....	May 6, 1941	Nov. 16, 1942	-----	Mar. 3, 1948	Final payment under Lend-Lease Agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. vi.	Dec. 21, 1945	Transfer on Credit; unpublished correspondence.
Haiti.....	May 6, 1941	Sept. 16, 1941	-----	Feb. 10, 1949	Final payment under Lend-Lease Agreement of Feb. 28, 1942; reported in 28th L-L Rpt., p. i.	Dec. 31, 1943	Port Project Agreement, EAS 411; 58 Stat. 1357.
Honduras.....	do.....	Feb. 28, 1942	-----	May 16, 1946	Cash purchases only. 23d L-L Rpt., p. 44; TIAS 1532; 60 Stat. 1753.	June 14, 1943	Reciprocal Aid, EAS 326; 57 Stat. 991.
Iceland.....	July 1, 1941	Nov. 21, 1941	EAS 429; 58 Stat. 1455.	-----	-----	Apr. 30, 1945	Section 3 (c) Agreement, Reciprocal Aid, EAS 480; 59 Stat. 1627.
India.....	Nov. 11, 1941	-----	-----	-----	-----	June 8, 1950	Maritime Claims, TIAS 2119.
Iran.....	Mar. 10, 1942	-----	-----	Feb. 24, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 16, 1943.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 27; EAS 272; 56 Stat. 1611.
Iraq.....	May 1, 1942	July 31, 1945	EAS 470; 59 Stat. 1535.	May 28, 1947	24th L-L Rpt., p. 22; TIAS 1760; 61 Stat. (4) 3924.	May 29, 1945	Marine Transportation and Litigation, EAS 471; 59 Stat. 1541.
Liberia.....	Mar. 10, 1942	June 8, 1943	EAS 324; 57 Stat. 978.	-----	-----	-----	-----
Mexico.....	May 6, 1941	Mar. 18, 1943	-----	-----	-----	-----	-----
Netherlands.....	Aug. 21, 1941	July 8, 1942	EAS 259; 56 Stat. 1554.	July 10, 1946	23d L-L Rpt., p. 56; TIAS 1536; 60 Stat. 1791.	-----	-----
New Zealand.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom Agreement; EAS 272; 56 Stat. 1611.	Sept. 26, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Oct. 16, 1941.	-----	-----
Nicaragua.....	May 6, 1941	Oct. 16, 1941	-----	Feb. 24, 1948	26th L-L Rpt., p. 61; TIAS 1716; 62 Stat. (2) 1848.	-----	-----
Norway.....	June 4, 1941	July 11, 1942	EAS 262; 56 Stat. 1565.	Mar. 21, 1947	24th L-L Rpt., p. 38; TIAS 1593; 61 Stat. (3) 2840.	-----	-----
Paraguay.....	May 6, 1941	Sept. 20, 1941	-----	May 7, 1946	23d L-L Rpt., p. 66; TIAS 1541; 60 Stat. 1809.	-----	-----
Peru.....	do.....	Mar. 11, 1942	-----	-----	-----	-----	-----
Poland.....	Aug. 28, 1941	July 1, 1942	EAS 257; 56 Stat. 1542.	-----	-----	-----	-----
Saudi Arabia.....	Feb. 18, 1943	Aug. 7, 1943	Exchange of unpublished notes.	-----	-----	-----	-----
South Africa.....	Nov. 11, 1941	Apr. 17, 1945	TIAS 1511; 60 Stat. 1576.	-----	-----	-----	-----
Turkey.....	Nov. 7, 1941	Feb. 23, 1945	EAS 465; 59 Stat. 1476.	-----	-----	-----	-----

See footnotes at end of table, p. 41.

## STATUS OF NATIONS

*Lend-lease and related agreements*

[As of Dec. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
U. S. S. R. ....	Nov. 7, 1941	June 11, 1942	8th L-L Rpt., p. 50; EAS 253; 56 Stat. 1500.	Dec. 6, 1945	22d L-L Rpt., p. 45; TIAS 1509; 60 Stat. 1525.	Oct. 13, 1945	Pipeline Agreement, 21st L-L Rpt., p. 48.
	Mar. 11, 1941	Feb. 23, 1942	4th L-L Rpt., p. 50; EAS 241; 56 Stat. 1433.	Mar. 27, 1946	22d L-L Rpt., p. 48; TIAS 1509; 60 Stat. 1525.	Sept. 27, 1949	Return of Ice Breakers and Frigates, TIAS 2060.
United Kingdom. ....				Feb. 28, 1947	Esposused Claims, TIAS 1635; 61 Stat. (3) 3012.	Aug. 14, 1941	Atlantic Charter, EAS 236; 55 Stat. 1603.
				Jan. 7, 1948	Surplus in Middle East, TIAS 1693; 62 Stat. (2) 1836.	July 27, 1942	Acts of Armed Forces, EAS 355; 57 Stat. 1193.
				June 18, 1948	Unpublished Settlement of U. S. Army claims subsequent to period covered by agreements of Mar. 27, 1946.	Aug. 24, 1942	Patent Interchange, EAS 268; 56 Stat. 1594.
				June 29, 1948	Unpublished acknowledgment of obligations under agreement relating to petroleum (VI) of Mar. 27, 1946.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 22; EAS 270; 56 Stat. 1605.
						Dec. 4, 1942	Marine Transportation and Litigation, EAS 282; 56 Stat. 1780.
						Mar. 28, 1944	Acts of Armed Forces, TIAS 1602; 61 Stat. (3) 2728.
						Mar. 27, 1946	Amended Patent Interchange Agreement, TIAS 1510; 60 Stat. 1566.
				July 12, 1948	Joint Installations in Middle East, TIAS 1769; 62 Stat. (2) 2027.	May 7, 1946	Marine Transportation and Litigation, TIAS 1558; 60 Stat. 1953.
				-----do-----	Accounts and claims (wind-up of residual accounts and claims) 27th L-L Rpt., p. 38; TIAS 1770; 62 Stat. (2) 2034.	Jan. 23, 1947	Acts of Civilians, TIAS 1622; 61 Stat. (3) 2876.
						June 27, 1947	Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014.

United Nations.....	Jan. 1, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 236; 55 Stat. 1600.	-----	Cash purchases only.
Uruguay.....	May 6, 1941	-----	-----	-----
Venezuela.....	do.....	-----	Apr. 27, 1949	Prepaid in dollars. Final payment under Lend-Lease Agreement of Mar. 18, 1942; reported in 29th L-L Rpt., p. 2.
Yugoslavia.....	Nov. 11, 1941	July 24, 1942	July 19, 1948	27th L-L Rpt., p. 64; TIAS 1779; 62 Stat. (2) 2133.

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility, for defense aid furnished, was accepted by each beneficiary nation. Approximately 9 1/2 percent of the aggregate amount due has been paid in cash and/or through specially negotiated settlement arrangements. Negotiations for the settlement of the as yet unsettled residual accounts are in various stages of progress.

<sup>2</sup> The Declaration by United Nations for a cooperative war effort was signed by 26 nations on Jan. 1, 1942. The other nations here listed, except Iceland, signed on later dates. See the Twenty-first Report to Congress on Lend-Lease Operations, pp. 44-45. Pursuant to that Declaration, the signatory nations subscribed to the Atlantic Charter of Aug. 14, 1941 (the Joint Declaration of the President of the United States and the Prime Minister of the United Kingdom).

<sup>3</sup> A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946, of the Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>4</sup> Wind-up of residual accounts and claims.

## ADDENDUM

Aid was furnished, under special circumstances and specific conditions, to certain countries which never had formally been declared eligible for formal lend-lease treatment. These are Burma (see above table), Denmark, Finland, Greenland, Italy, Panama, Sweden, and Thailand.

Transfers to Denmark were made pursuant to arrangements described in the Twenty-first Report to Congress on Lend-Lease Operations, and those made to Italy were pursuant to arrangements described in the Twenty-third Report to Congress on Lend-Lease Operations. In respect to the others named a *modus operandi*, very similar to that used for lend-lease cash-reimbursement transactions but not under the Lend Lease Act, was used to help these governments to acquire approved essential goods and services.



## APPENDIX III

NOTE.—There are reprinted in this section for purposes of convenience most of the principal laws and documents relating to lend-lease. All of these have been included in previous reports, several of which are now out of print. The text of the Lend-Lease Act of March 11, 1941, appears below in the form in which it was originally passed.

### PUBLIC LAW 11

#### SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 11, 1941*

AN ACT Further to promote the defense of the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."*

#### SECTION 2

As used in this Act—

(a) The term "defense article" means—

- (1) Any weapon, munition, aircraft, vessel, or boat;
- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection: manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

#### SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

- (1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which

funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent

necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of conveying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

#### SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

#### SECTION 5

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to

the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

#### SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

#### SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

#### SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

#### SECTION 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

#### SECTION 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 27, 1941*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved October 28, 1941*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000.

## PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved March 5, 1942*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

## PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved October 26, 1942*

## TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States," approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 201 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation act for the same purpose, shall be deemed to include the authority to procure, dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

## PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

*Approved March 11, 1943*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in

lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947."

PUBLIC LAW 304

SEVENTY-EIGHTH CONGRESS, SECOND SESSION

*Approved May 17, 1944*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however,* That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

PUBLIC LAW 31

SEVENTY-NINTH CONGRESS, FIRST SESSION

*Approved April 16, 1945*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949."

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier", inserting a semicolon, and the following new language: "*Provided, however, That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction.*"

## PUBLIC LAW 521

## SEVENTY-NINTH CONGRESS

*Approved July 23, 1946**Title I. General Appropriations*

## DEFENSE AID—LEND-LEASE

\* \* \* \* \*

Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and other Acts mentioned in said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.*

\* \* \* \* \*

SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946."



## PUBLIC LAW 271

EIGHTIETH CONGRESS

*Approved July 30, 1947*

AN ACT Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided*, That the foregoing amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of only Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

\* \* \* \* \*

## PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

*Approved May 10, 1948*

## GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

## STATUS OF DEFENSE AID APPROPRIATIONS AND AUTHORIZATIONS

[Mar. 11, 1941, through Dec. 31, 1951]

[illegible]



## APPENDIX IV

### FUNDS MADE AVAILABLE FOR LEND-LEASE

Amplifying data which previously has been published under this subject, there is presented on the facing page a detailed comprehensive tabulation which properly identifies all funds which were appropriated for lend-lease purposes and shows the final disposition made of them.

Figures covering the actual cost of transfers under specific sums specially authorized to the Navy Department for the leasing of vessels, and to the former Maritime Commission for the construction and leasing of vessels, are also indicated.







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**THIRTY-FOURTH REPORT TO CONGRESS  
ON LEND-LEASE OPERATIONS**

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**MESSAGE**

UNIVERSITY OF ILLINOIS

**FROM**

**THE PRESIDENT OF THE UNITED STATES**

**TRANSMITTING**

**THE THIRTY-FOURTH REPORT TO CONGRESS  
ON LEND-LEASE OPERATIONS FOR THE YEAR  
ENDING DECEMBER 31, 1952**

**Payments and Settlements  
Current Settlement Negotiations  
Status of Nations  
Lend-Lease Act**



**UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1953**

266373



**Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))**

## PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *September 24, 1953.*

*To the Congress of the United States:*

I transmit herewith the Thirty-fourth Report to Congress on Lend-Lease Operations covering the calendar year of 1952.

Section 5 (b) of the Act of March 11, 1941 (Public Law 11 - 77th Cong., 1st sess.) provides, "The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act . . ." This requirement was generally observed during the years of World War II when lend-lease operations were in full swing. However, since the end of the war, it has been found expedient to submit these reports to the Congress at greater intervals. I believe that the Congress should be kept informed on lend-lease activities and that, under existing circumstances, this can be done satisfactorily through yearly reports.

One of the important remaining lend-lease functions is the collection of payments due under various international agreements. For example, the lend-lease settlement agreements call for the eventual payment to the United States of a total of \$1,574,534,330.31 plus interest. According to figures supplied by the Department of the Treasury as of December 31, 1952, the United States has received \$429,020,540.49 from debtor governments under lend-lease settlement agreements. This figure comprises payment in dollars totaling \$322,052,260.18, local currency payments to the equivalent of \$30,067,994.38, the acquisition of real property and improvements thereto amounting to the equivalent of \$2,408,214.43, and the assumption of claims by debtor governments to a total value of approximately \$74,492,071.50. These figures do not include the lend-lease silver accounts or sums paid the United States by other governments for lend-lease supplies or services received on a cash reimbursable basis.



DWIGHT D. EISENHOWER

(Enclosure: Thirty-fourth Report to Congress on Lend-Lease Operations.)



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## **THIRTY-FOURTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS**

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### **PREAMBLE**

Although many of our World War II Allies are discharging their obligations in accordance with the terms of various lend-lease settlement agreements, there are still a few nations which have not yet come to terms for a settlement of their lend-lease accounts with the United States. During the period covered by this report, the Department of State gave a great deal of attention to efforts to work out ways and means of achieving lend-lease settlements with China, Peru, Poland, and the U. S. S. R. The results are more fully described on the following pages.

The importance of carefully administering and enforcing the terms of the various international agreements pertaining to lend-lease is emphasized when one takes into account the huge creditor position of the Government of the United States under these agreements. For example, lend-lease settlement agreements call for the eventual payment to the United States of a total of \$1,574,534,330.31 plus interest. Against this sum, various debtor governments have paid the United States, as of December 31, 1952, approximately \$429 million. This figure is made up of dollar payments totaling approximately \$322 million plus local currency payments equaling approximately \$30 million and the acquisition of real property and improvements thereto amounting to \$2,400,000, as well as the assumption of claims by debtor governments having a value of approximately \$74,500,000.

## **LEND-LEASE PAYMENTS AND SETTLEMENTS**

### **PARAGUAY**

On April 3, 1952, the Government of the Republic of Paraguay completed the final payment of its fiscal obligation incurred for defense aid supplied under the terms of the Lend-Lease Agreement of September 20, 1941, and contingent thereto.

As one of the American Republics declared eligible to receive lend-lease aid by the President of the United States on May 6, 1941, the Government of Paraguay severed relations with the Axis powers on January 28, 1942, assumed a state of war on February 8, 1945, and signed the Declaration by United Nations on February 14, 1945.

## CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS

### BOLIVIA

Although the Government of Bolivia some time ago completed all payments on its defense aid accounts incurred under the terms of the Lend-Lease Agreement of December 6, 1941, and payable under the terms of the Bolivian Lend-Lease Settlement Arrangement of November 22, 1947, there remains still to be liquidated, and now long past due, a substantial sum in a contingent account arising out of the furnishing of maintenance and repair equipment for previously delivered lend-lease matériel.

### CHINA

Notwithstanding some favorable indications in 1951, the National Government of the Republic of China apparently found itself unable to take constructive steps in 1952 toward active settlement negotiations with the result that no progress was made during that year toward a settlement of World War II accounts, including lend-lease.

### ECUADOR

Although Ecuador, in February 1951, completed payments to the United States for defense aid furnished under the terms of the Ecuadoran Lend-Lease Agreement of April 6, 1942, there still remains unpaid a substantial related account representing the value of special equipment made available to the Government of Ecuador for repair and maintenance of lend-lease matériel previously supplied under the terms of the Agreement of 1942.

### PERU

As the result of progress made in the long series of negotiations with the Government of Peru on settlement terms for the payment of its lend-lease obligations to the United States, there were prepared last **May** by the Department of State for official Peruvian signature formal notes designed to complete a mutually acceptable settlement arrangement. Notwithstanding continuing representations by the Department and the American Embassy in Lima, the Government of Peru, while expressing agreement in principle with the proposed terms of settlement, has not yet signed the settlement documents.



The Department of State is still pressing for final action at an early date and feels confident of eventual affirmative results.

In the meantime, Peru is the only one of the 18 other American Republics which received lend-lease assistance that has not either paid or made a formal commitment toward the settlement of its defense aid accounts incurred under the terms of a formal basic agreement.

#### POLAND

Although the Department of State was in communication with the Polish Embassy in Washington during the year 1952, little progress was made toward reaching a lend-lease settlement. Previously the Department of State had informed the Polish Government of the amount of lend-lease assistance furnished by the United States, the proposed scope of a settlement of lend-lease and certain other World War II claims, and the terms on which the United States would be willing to settle these accounts. Although the principles and procedures on which the action of the Department of State was based are consistent with those followed in reaching lend-lease settlements with other countries, the Polish Government did not respond favorably. The only action taken by the Polish Government was to request a statement of the account as to the lend-lease assistance for which payment is being sought by the United States. Such a statement was transmitted to the Polish Embassy early in May 1952, but the Polish Government has taken no steps to settle these long overdue World War II accounts.

In the meantime, the Department of State has asked the Maritime Administration to withhold the making of any payments to an agency of the Government of Poland in connection with the settlement of some Maritime claims directly related to World War II and lend-lease activities. It has been contemplated by the Department of State that a settlement with the Polish Government could encompass Maritime as well as certain other claims arising from World War II.

#### U. S. S. R.

During 1952 the Department of State continued its efforts to obtain a satisfactory settlement of the obligations of the Government of the Union of Soviet Socialist Republics under the Master Lend-Lease Agreement of June 11, 1942.

On January 7, 1952, the Secretary of State sent a note to the Soviet Ambassador at Washington in reply to the Soviet Government's notes of August 21 and August 28, 1951. The Secretary's note of January 7, which was included as exhibit C in the *Thirty-third Report to Con-*

*gress on Lend-Lease Operations*, confirmed the statement made previously by a representative of the United States that the latest Soviet offer of \$300 million was considered to be far from fair and reasonable compensation for lend-lease articles which remained in Soviet custody at the end of the war. The note emphasized that the return of all of the lend-lease vessels is essential to a satisfactory overall lend-lease settlement and that by its failure to return these vessels the Soviet Government is clearly in default of its lend-lease obligations. The note concluded by requesting the Soviet Government either to return the vessels to the United States promptly or to agree to submit the problem to the International Court of Justice for adjudication.

In June 1952 three meetings were held between representatives of the two Governments at the request of the Soviet Government. At the first of these meetings, on June 16, the Soviet representative presented a note (exhibit A) from his Government replying to the note of January 7, 1952, of the Secretary of State. In his note the Soviet representative denied that the Soviet Government was delaying a settlement and referred to measures taken by the Soviet Government which he alleged made possible the successful conclusion of a settlement. He charged that the United States, by its refusal to sell certain vessels to the Soviet Union, was impeding the conclusion of a settlement. The note also denied that the Soviet Government did not intend to return lend-lease vessels to the United States and expressed the readiness of the Soviet Government to return to the United States a group of 186 naval craft which the United States had requested initially in September 1948 and repeatedly thereafter. The note added, however, that the Soviet Government, at the same time, expects that the United States will sell certain of the lend-lease vessels. Finally, the Soviet note rejected the proposal of the United States that the question of the vessels be submitted to the International Court of Justice for adjudication.

At a meeting on June 18 the United States representative proposed the immediate establishment of a working group to arrange the details of the return of the 186 naval craft. It was, however, made clear to the Soviet representative that the United States was unwilling to sell any of the remaining lend-lease vessels and that all of the vessels must be returned. A brief meeting took place on June 24. This set of meetings came to an end when the Soviet representative, although asserting that his Government was ready to return the 186 naval craft, refused to make immediate arrangements for their return, insisting instead on discussing first the other unresolved questions of the lend-lease negotiations.

Replying formally to the Soviet note of June 16, 1952, the Acting Secretary of State pointed out in a note of November 5 (exhibit A) that although the Soviet Government professed its readiness to return 186 lend-lease vessels to the United States it had refused to take concrete action for this purpose. It reiterated the position of the United States that none of the lend-lease vessels were for sale and that all previous offers to sell certain of these vessels had long since been withdrawn by reason of the failure of the Soviet Government to fulfill the necessary conditions which were a part of such offers. The note stated further that, since the Soviet Government had not only failed to return the vessels but also refused to resolve this question by its submission to the International Court of Justice, the United States must conclude that the Soviet Government intended to remain in default of article V of the Agreement of June 11, 1942.

On the question of a financial settlement the note emphasized again that the United States considered the Soviet settlement offer of \$300 million to be far from fair and reasonable compensation for the lend-lease articles remaining in the U. S. S. R. at the end of the war. It recalled that the United States had offered to accept \$800 million in settlement for the residual lend-lease articles, and in the interests of achieving a settlement had offered to reduce further the amount requested provided that the Soviet Government made a truly constructive offer. Finally the note pointed out that the United States must take into account that by its failure to return lend-lease vessels the Soviet Government was in default of the very agreement under which lend-lease negotiations have been carried on since April 1947, and that it is therefore the position of the United States that when the Soviet Government had made arrangements to fulfill its obligations under article V of the Master Lend-Lease Agreement of June 11, 1942, the United States in the interest of a settlement would be prepared to make further proposals concerning a financial settlement.

A reply to this note had not been received by the close of the period under review.

NOTE: Exhibits A and B, shown on the following pages, were originally issued as Department of State press release 859 of November 6, 1952.

## EXHIBIT A

Following is an exchange of notes between the United States and the Union of Soviet Socialist Republics concerning the lend-lease settlement negotiations. The United States note, in reply to the Soviet note of June 16, was delivered to the Soviet Embassy at Washington on November 5.

No. 44

His Excellency DEAN G. ACHESON,  
*Secretary of State of the United States of America.*

SIR: In connection with your note of January 7, 1952, concerning the settlement of lend-lease accounts, I have the honor to state the following.

The Soviet Government in its previous notes has already shown that scrupulous observance of the agreement achieved earlier is a necessary condition for reaching a general and a mutually satisfactory settlement of lend-lease accounts. Non-observance of this condition cannot but cause delays in the settlement of the entire question of lend-lease accounts.

As is known, on the question of lend-lease vessels the Governments of the USSR and the USA earlier reached an agreement setting forth that the United States agreed to the sale to the Soviet Union of the merchant vessels and a certain number of the naval vessels. In this connection it was intended that the experts of both sides should discuss the question both of the terms of sale of the above-mentioned vessels and of the procedure and dates of the return of the remaining vessels. Later on, the Government of the United States, deviating from the previously achieved agreement, refused to discuss the question of the sale of the merchant vessels and a part of the naval vessels, insisting on the return both of all merchant vessels and of the naval vessels delivered to the Soviet Union under lend-lease. Refusing to fulfill the agreement reached earlier, the Government of the USA thereby impedes the achievement of agreement on the general settlement of lend-lease accounts, to which fact the Soviet Government considered it necessary to call the attention of the Government of the USA in its note of August 21, 1951.

The Government of the USA seeks to justify its refusal to sell to the Soviet Union the vessels regarding which an agreement has already been reached between the the Governments of the USA and the USSR by references to the fact that the agreement was conditional on "prompt achievement of a mutually satisfactory overall lend-lease settlement" and that this condition allegedly was not fulfilled by the Soviet Government. Such an assertion of the Government of the USA is groundless, because the Soviet Government for its part took a series of measures toward the most rapid settlement of the lend-lease question.

It is known that the Soviet Government made substantial concessions and introduced several constructive proposals which created the possibility of a successful completion of the negotiations regarding the settlement of lend-lease accounts. For this purpose, the Soviet Government, in the course of the negotia-

tions which were held, agreed to a considerable increase in the overall sum of compensation for residual lend-lease goods, and in particular on August 24, 1951, increased this amount of compensation from 240 million dollars to 300 million dollars, which constitutes an amount almost twice as great as the amount originally stipulated. It is also necessary to note that the amount of 300 million dollars represents a higher percentage of compensation than, for example, was the case in establishing the amount of compensation for lend-lease deliveries to Great Britain. Eight months has already passed since the introduction by the Soviet Government of the proposal to set the overall amount of compensation at 300 million dollars. However, the Government of the USA for its part has not named a lower amount of compensation than the previously stipulated sum of 800 million dollars, although in the course of the negotiations the representatives of the USA repeatedly declared their readiness to lower the amount of compensation named by the Government of the USA, if the Soviet Union would consent to an increase of the overall amount above 240 million dollars. It is sufficient, for example, to point out the statements made during the negotiations by Mr. Wiley on January 27, February 7, and March 7, 1951, and the statements of Mr. Reinhardt on August 21 and 24, 1951. It is necessary to note that although on August 24, 1951, Mr. Reinhardt promised to communicate at the next meeting the position of the Government of the USA regarding the amount of 300 million dollars proposed by the Soviet side, the American side has not yet designated the date of the next meeting. It follows from this that the delay in reaching a mutually acceptable settlement of lend-lease accounts is the result of the position taken by the Government of the United States.

In its note of January 7 of this year the Government of the United States asserts that the Soviet Government, in the note of August 21, 1951, allegedly stated that it did not intend to fulfill its obligation regarding the return of the lend-lease vessels. This assertion is also devoid of any foundation. The Soviet Government, as is known, has already returned to the United States 27 frigates, 3 icebreakers, 7 tankers and 1 dry cargo vessel, which the Government of the USA did not desire to sell to the Soviet Union. As to the 186 naval vessels which the Government of the USA requests be returned, the Soviet Government has not declared its refusal to satisfy this request either in its note of August 21, 1951 or any previous time. The Soviet Government expresses its readiness to return to the United States the 186 vessels indicated. After appropriate preparation this transfer could be begun in four or five months at foreign ports nearest the Soviet Union. At the same time, the Soviet Government expects that also the Government of the USA will carry out the agreement already reached regarding the sale to the Soviet Union of merchant vessels and a part of the remaining naval vessels from the number suitable for use.

As to the proposal of the Government of the USA to submit the question of lend-lease vessels to the consideration of an international court, the Soviet Government cannot agree to such a proposal for the same reasons for which it could not agree to the submission of the question of compensation for residual lend-lease goods in the USSR to the decision of a court of arbitration, which reasons were set forth in the Soviet Government's note of August 28, 1951.

Accept, Sir, the assurances of my highest consideration.

B. KARAYAEV  
(Chargé)

## EXHIBIT B

U. S. NOTE OF NOVEMBER 5, 1952

His Excellency GEORGI N. ZARUBIN,

*Ambassador of the Union of Soviet Socialist Republics.*

EXCELLENCY: I have the honor to refer to Mr. Karavaev's note No. 44 of June 16, 1952 concerning the negotiations for a settlement of the obligations of the Government of the Union of Soviet Socialist Republics under the Master Lend-Lease Agreement of June 11, 1942.

In his note of June 16, 1952, Mr. Karavaev expressed the readiness of the Soviet Government to return to the United States 186 naval craft, the return of which the Government of the United States initially requested in its note of September 3, 1948 and has repeatedly requested since that time. On June 18, 1952, United States lend-lease representatives in a meeting with the Soviet lend-lease delegation proposed the immediate establishment of a working group to arrange the details of the return of these vessels. The Soviet delegation, however, was unwilling to agree to the establishment of such a working group or otherwise to arrange for the return of the vessels. Thus, the Soviet Government, although formally professing its readiness to return these vessels, has not been prepared to take concrete action for this purpose. If it is in fact the intention of the Soviet Government to return these vessels, the Government of the United States desires that it be informed, without further delay, of the dates and ports of return, or alternatively of the date when Soviet representatives will be available to work out with representatives of the Government of the United States the details for the return of the vessels.

Mr. Karavaev's note also reiterates the desire of the Soviet Government to purchase lend-lease merchant vessels and certain of the lend-lease naval craft now in its custody. The Government of the United States had made its position with respect to lend-lease vessels clear in its notes of April 6, 1951 and January 7, 1952 and in meetings of the lend-lease delegations of our two Governments since January 1951. The offers of the Government of the United States early in the settlement negotiations to sell lend-lease merchant vessels and a number of lend-lease naval vessels were expressly conditioned upon the prompt conclusion of a satisfactory over-all lend-lease settlement. When it became unmistakably clear that the Soviet Government did not intend to conclude a settlement promptly, the Government of the United States in January 1951 withdrew these offers and requested the return of all lend-lease vessels.

That the Soviet Government has consistently avoided the conclusion of a prompt settlement is fully documented in the history of the negotiations. A particular example of the attitude of the Soviet Government toward the prompt conclusion of a settlement is its failure to return the 186 vessels which were requested by the Government of the United States over four years ago and were never offered for sale. This attitude is further exemplified by the refusal of the Soviet Government to resolve the question of a financial settlement through arbitration as proposed by the Government of the United States

in its note of April 27, 1951 and also by the refusal of the Soviet Government to submit the question of the return of lend-lease vessels to the International Court of Justice for adjudication, as proposed by the Government of the United States in its note of January 7, 1952.

Since the Soviet Government has not only failed to return the vessels but also has refused to submit the matter to adjudication, the Government of the United States must conclude that it is the intention of the Soviet Government to remain in default of Article V of the Agreement of June 11, 1942.

As regards the question of a financial settlement which is also mentioned in Mr. Karavaev's note, the Government of the United States has offered to accept the sum of \$800 million which it considers fair and reasonable compensation for the vast quantities of civilian-type lend-lease articles remaining in Soviet custody at the end of hostilities. However, in the interests of achieving a settlement promptly, this Government offered to reduce further the amount requested provided a truly constructive offer was made by the Soviet side. The Government of the United States, in its note of January 7, 1952, has already stated that it considers the latest offer of the Soviet Government of \$300 million as far from fair and reasonable compensation for the residual lend-lease articles. Furthermore, the Government of the United States must take into account the fact that by not returning the 186 naval craft and other vessels requested, the Soviet Government is in clear default of the very agreement under which negotiations of a lend-lease settlement have been carried on since April 1947. It is the position of the Government of the United States, therefore, that when the Soviet Government has made arrangements to fulfill its obligations under Article V of the Lend-Lease Agreement of June 11, 1942, the Government of the United States in the interest of a settlement will be prepared to make further proposals concerning a financial settlement.

If it is the serious intention of the Soviet Government to advance the conclusion of a mutually satisfactory settlement agreement, it can do so by returning the lend-lease vessels promptly.

Accept, Excellency, the renewed assurances of my highest consideration.

DAVID BRUCE

## CONCLUSION

In some of the previous issues of Reports to Congress on Lend-Lease Operations there have been presented, from time to time, sundry articles and statistical tables which, it was believed, would be of informational value to our Government officials, research analysts, students, and the American public interested in the subject of lend-lease. In order to keep the record up-to-date, some of these published items have been revised and repeated many times; others, once published, have been repeated or revised only infrequently, if at all.

This report does not contain the usual statistical tabulations covering lend-lease fiscal operations and funds made available for lend-lease since no significant changes have taken place therein during the year 1952.

In the appendix there will be found, as in previous reports, the table entitled "Status of Nations," revised to December 31, 1952. Also included in the appendix is the Lend-Lease Act of March 11, 1941, with a listing of amendments.

To assist the reader desiring to locate in former reports some particular item, there are listed below the more substantive articles and statistical tables according to the report and page number where last published:

Subject	Lend-Lease Report	Page
Appropriations and authorizations.....	Thirty-third.....	51
British colonial dependencies.....	Twenty-second.....	88
British white paper of September 10, 1941.....	do.....	36
Chronology of lend-lease to January 1946.....	Twenty-first.....	55
Defense aid provided.....	Thirty-third.....	34
Executive orders establishing:		
Office of Lend-Lease Administration.....	Eighteenth.....	76
Foreign Economic Administration.....	do.....	74
Facts and fiction of lend-lease.....	Nineteenth.....	40
Liberian port project.....	Thirty-third.....	25
Pipeline operations.....	Twenty-third.....	18
Reciprocal aid (reverse lend-lease).....	Thirty-third.....	27
Silver accounts.....	do.....	29
Status of nations (old form) <sup>1</sup> .....	Twenty-first.....	44
Termination of lend-lease.....	Thirty-second.....	40

<sup>1</sup> See footnote on page 15.



The reports in which some of the lend-lease agreements have appeared may be ascertained by referral to the Status of Nations tabulation published as appendix I in this report.

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## **APPENDIXES**

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## APPENDIX I

### STATUS OF NATIONS

The table entitled "Status of Nations" as presented in the following pages reflects the progress made up to the close of the reporting period in the settlement of lend-lease, reciprocal aid, and other related accounts arising out of World War II defense aid programs. Included are citations of all such lend-lease settlements and other related agreements which had been concluded by December 31, 1952.

A loose-leaf publication entitled *United States Treaty Developments* has been issued by the Department of State. This work, brought periodically up to date by means of supplementary sheets, provides the date of each treaty or other agreement, a summary of its substance, statutory authority, where published, and whether modified, amended, renewed, or expired, as well as other pertinent information.

It should be noted also that many of the agreements have been printed in the publications identified in the table.

NOTE: A table also entitled "Status of Nations" appeared in earlier issues of the Report to Congress on Lend-Lease Operations, giving the dates of the signing of reciprocal aid agreements where agreements of that type were made, and the date on which each government signed the Declaration by United Nations of January 1, 1942 (not to be confused with the Charter of the United Nations signed in San Francisco in 1945).

# STATUS OF NATIONS KEY TO ABBREVIATIONS

L-L Rpt.—Report to Congress on Lend-Lease Operations.  
 TIAS—Treaties and Other International Acts Series (published by Department of State).  
 EAS—Executive Agreement Series (published by Department of State).  
 UST—United States Treaties and Other International Agreements (published by Department of State).  
 Stat.—United States Statutes at Large.

## Lend-lease and related agreements

[As of Dec. 31, 1952]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement 1		Lend-lease settlement		Other related agreements 2	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt., p. 24; EAS 271; 56 Stat. 1608.	June 7, 1946	23d L-L Rpt., p. 60; TIAS 1528; 60 Stat. 1707.	Mar. 8, 1945	Marine Transportation and Litigation, EAS 467; 59 Stat. 1499.
Belgium.....	June 13, 1941	June 16, 1942	EAS 254; 56 Stat. 1504.	Sept. 24, 1946 Apr. 20, 1950	23d L-L Rpt., p. 61; TIAS 2044; 62 Stat. (3) 3984. Joint undertaking under Agreement of Sept. 24, 1946; TIAS 2074; 1 UST 437.	Jan. 30, 1943 Aug. 4, 1943 Apr. 19, 1945 May 19, 1945	Reciprocal Aid, EAS 313; 57 Stat. 920. Acts of United States Armed Forces in Belgian Congo, EAS 396; 58 Stat. 1216. Reciprocal Aid, EAS 481; 59 Stat. 1642. Section 3 (c) Agreement 1, 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941		Nov. 22, 1947	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Dec. 6, 1941. (Final payment made and reported in 32d L-L Rpt., p. 2.)		
Brazil.....	do.....	Mar. 3, 1942		Apr. 15, 1948 Apr. 19, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 3, 1942. Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to Lend-Lease Agreement of Mar. 3, 1942.	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1797.

Burma.....					Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947
Canada.....	Nov. 11, 1941	Nov. 30, 1942	By exchange of notes, accepted principles of art. VII of United Kingdom Lend-Lease Agreement.	Mar. 14, 1949	May 26, 1943	Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Chile.....	May 6, 1941	Mar. 2, 1943		Feb. 28, 1950	Nov. 11, 1943	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301.
China.....	.do.	June 2, 1942	5th L-L Rpt., p. 306; EAS 251; 56 Stat. 1494.		Nov. 15, 1946	Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1892; 61 Stat. (3) 2520.
Colombia.....	.do.	Mar. 17, 1942		Apr. 13, 1950	May 21, 1943	Acts of Armed Forces, EAS 360; 57 Stat. 1428.
Costa Rica.....	.do.	Jan. 16, 1942		Oct. 18, 1950	June 14, 1946	Pipeline Agreement, 23d L-L Rpt., p. 69; TIAS 1533; 60 Stat. 1760.
Cuba.....	May 6, 1941	Nov. 7, 1941		Apr. 26, 1951	June 28, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. (4) 3895.
Czechoslovakia.....	Jan. 5, 1942	July 11, 1942	EAS 261; 56 Stat. 1562.	July 25, 1947 Sept. 16, 1948		

See footnotes at end of table, p. 21.

## STATUS OF NATIONS—Continued

*Lend-lease and related agreements*

[As of Dec. 31, 1952]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement :		Lend-lease settlement		Other related agreements :	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Dominican Republic.....	May 6, 1941	Aug. 2, 1941 Aug. 6, 1941	----- (Supplement)-----	Apr. 23, 1949	Final payment under Lend-Lease Agreement of Aug. 2, 1941; reported in 28th L-L Rpt., p. 1.		
Ecuador.....	do	Apr. 6, 1942	-----	Feb. 12, 1951	Final payment under Lend-Lease Agreement of Apr. 6, 1942; reported in 32d L-L Rpt., p. 3.		
Egypt.....	Nov. 11, 1941	Feb. 2, 1942	-----	May 26, 1950	Cash purchases only. Final payment under Lend-Lease Agreement of Feb. 2, 1942; reported in 32d L-L Rpt., p. 5.		
El Salvador.....	do	-----	-----	-----	26th L-L Rpt., p. 29; TIAS 1831; 63 Stat. (3) 2448.		
Ethiopia.....	Dec. 7, 1942	Aug. 9, 1943	EAS 334; 57 Stat. 1043.	May 20, 1949	23d L-L Rpt., p. 41; TIAS 1828; 61 Stat. (4) 4178.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 28; EAS 273; 56 Stat. 1014.
France.....	Nov. 11, 1941	Feb. 28, 1945	EAS 455; 56 Stat. 1304.	May 23, 1946	Financial Settlement, 28th L-L Rpt., p. 4; TIAS 1836; 63 Stat. (3) 2507.	Sept. 25, 1943	Reciprocal Aid in French North and West Africa, 13th L-L Rpt., p. 66; EAS 433; 58 Stat. 1660.
		-----	-----	Mar. 14, 1949	Maritime Claims, 28th L-L Rpt., p. 10; TIAS 1835; 63 Stat. (3) 2499.	Feb. 28, 1945	Section 3 (c), Agreement. <sup>1</sup> EAS 455; 56 Stat. 1304.
		-----	-----	do	-----	Feb. 27, 1948	Expenditures of U. S. Armed Forces, TIAS 1830; 63 Stat. (3) 2826.
Greece.....	Mar. 11, 1941	July 10, 1942	-----	Sept. 30, 1946	Settlement under Lend-Lease Agreement of Nov. 16, 1942.		
Guatemala.....	May 6, 1941	Nov. 16, 1942	EAS 280; 56 Stat. 1559.	Mar. 3, 1948	Final payment under Lend-Lease Agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. v1.		
Haiti.....	do	Sept. 16, 1941	-----	Feb. 10, 1949	Final payment under Lend-Lease Agreement of Feb. 28, 1942; reported in 28th L-L Rpt., p. 1.		
Honduras.....	do	Feb. 28, 1942	-----	-----	-----		

Iceland.....	July 1, 1941	Nov. 21, 1941	EAS 426; 58 Stat. 1455.	May 16, 1946	Cash purchases only. 23d L-L Rpt., p. 44; TIAS 1532; 60 Stat. 1733.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 392; 58 Stat. 1199.
India.....	Nov. 11, 1941						Transfer on Credit; unpub- lished correspondence.
Iran.....	Mar. 10, 1942					Dec. 21, 1945	Port Project Agreement, EAS 411; 58 Stat. 1357.
Iraq.....	May 1, 1942	July 31, 1945	EAS 470; 59 Stat. 1535.				
Liberia.....	Mar. 10, 1942	June 8, 1943	EAS 324; 57 Stat. 978.			Dec. 31, 1943	
Mexico.....	May 6, 1941	Mar. 18, 1943		Feb. 24, 1951	Arrangement for full settle- ment within basic terms of Lend-Lease Agreement of Mar. 18, 1943. P. 22; TIAS 24th L-L Rpt., p. 22; TIAS 1750; 61 Stat. (4) 3924.		
Netherlands.....	Aug. 21, 1941	July 8, 1942	EAS 299; 56 Stat. 1554.	May 28, 1947		June 14, 1943	Reciprocal Aid, EAS 326; 57 Stat. 991.
New Zealand.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United King- dom agreement, EAS 272; 56 Stat. 1611.	July 10, 1946		Apr. 30, 1945	Section 3 (c) Agreement, Re- ciprocal Aid, EAS 480; 59 Stat. 1627.
Nicaragua.....	May 6, 1941	Oct. 16, 1941		Sept. 26, 1951	Arrangement for full settle- ment within basic terms of Lend-Lease Agreement of Oct. 16, 1941.	June 8, 1950	Maritime Claims, TIAS 2119; 1 UST 638.
Norway.....	June 4, 1941	July 11, 1942	EAS 262; 56 Stat. 1565.	Feb. 24, 1948	26th L-L Rpt., p. 61; TIAS 1716; 62 Stat. (2) 1848.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 27; EAS 272; 56 Stat. 1611.
Paraguay.....	May 6, 1941	Sept. 20, 1941		Apr. 3, 1952	Final payment under Lend- Lease Agreement of Sept. 20, 1941; reported in 34th L-L Rpt., p. 2.	May 29, 1945	Marine Transportation and Litigation, EAS 471; 58 Stat. 1541.
Peru.....	do.	Mar. 11, 1942					
Poland.....	Aug. 28, 1941	July 1, 1942	EAS 257; 56 Stat. 1542.				
Saudi Arabia.....	Feb. 18, 1943	Aug. 7, 1943	Exchange of unpublished notes.				
South Africa.....	Nov. 11, 1941	Apr. 17, 1945	TIAS 1511; 60 Stat. 1576.	Mar. 21, 1947	24th L-L Rpt., p. 38; TIAS 1593; 61 Stat. (3) 2640.		
Turkey.....	Nov. 7, 1941	Feb. 23, 1945	EAS 465; 59 Stat. 1476.	May 7, 1946	23d L-L Rpt., p. 66; TIAS 1541; 60 Stat. 1809.		
U. S. S. R.....	Nov. 7, 1941	June 11, 1942	8th L-L Rpt., p. 50; EAS 253; 56 Stat. 1500.			Oct. 13, 1945	Pipeline Agreement, 21st L-L Rpt., p. 48.
						Sept. 27, 1949	Return of Ice Breakers and Frigates, TIAS 2060; 63 Stat. (3) 2810.

See footnotes at end of table, p. 21.



## STATUS OF NATIONS—Continued

*Lend-lease and related agreements*

[As of Dec. 31, 1952]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
United Kingdom	Mar. 11, 1941	Feb. 23, 1942	4th L-L Rpt., p. 50, and 21st L-L Rpt., p. 62; EAS 241; 56 Stat. 1433.	Dec. 6, 1945	22d L-L Rpt., p. 45; TIAS 1509; 60 Stat. 1525.	Aug. 14, 1941	Atlantic Charter, EAS 236; 55 Stat. 1603.
				Mar. 27, 1946	22d L-L Rpt., p. 48; TIAS 1509; 60 Stat. 1525.	July 27, 1942	Acts of Armed Forces, EAS 355; 57 Stat. 1193.
				Feb. 28, 1947	Expoused Claims, TIAS 1635; 61 Stat. (3) 3012.	Aug. 24, 1942	Patent Interchange, EAS 298; 56 Stat. 1594.
				Jan. 7, 1948	Surplus in Middle East, TIAS 1698; 62 Stat. (3) 1838.	Sept. 3, 1942	Reciprocal Aid 6th L-L Rpt., p. 22; EAS 270; 56 Stat. 1805.
				June 18, 1948	Unpublished Settlement of U. S. Army claims subsequent to period covered by agreements of Mar. 27, 1946.	Dec. 4, 1942	Marine Transportation and Litigation, EAS 282; 56 Stat. 1780.
				June 29, 1948	Unpublished acknowledgment of discharge of obligations under agreement relating to petroleum (VI) of Mar. 27, 1946.	Mar. 28, 1944	Acts of Armed Forces, TIAS 1802; 61 Stat. (3) 2728.
United Nations				July 12, 1948	Joint Installations in Middle East, TIAS 1769; 62 Stat. (2) 2027.	Mar. 27, 1946	Amended Patent Interchange Agreement, TIAS 1510; 60 Stat. 1564.
				do	Accounts and claims (wind-up of residual accounts and claims), 27th L-L Rpt., p. 59; TIAS 1770; 62 Stat. (2) 2034.	May 7, 1946	Marine Transportation and Litigation, TIAS 1558; 60 Stat. 1955.
				Apr. 28, 1952	Extension of Amendment of Settlement of Dec. 6, 1945; TIAS 2562.	Jan. 23, 1947	Acts of Civilians, TIAS 1622; 61 Stat. (3) 2876.
					Cash purchases only.	June 27, 1947	Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014.
Uruguay	May 6, 1941	Jan. 13, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 236; 55 Stat. 1600.		Prepaid in dollars.		

Venezuela.....	May 6, 1941	Mar. 18, 1942	-----	Apr. 27, 1949	Final payment under Lend-Lease Agreement of Mar. 18, 1942, reported in 28th L-L Rpt., p. 2.
Yugoslavia.....	Nov. 11, 1941	July 24, 1942	EAS 263; 56 Stat. 1570.....	July 19, 1948	27th L-L Rpt., p. 64; TIAS 1779; 62 Stat. (2) 2183.

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility for defense aid furnished, was accepted by each beneficiary nation. Approximately 97½ percent of the aggregate amount due has been paid in cash and/or through specially negotiated settlement arrangements.

<sup>2</sup> The Declaration by United Nations for a cooperative war effort was signed by 26 nations on Jan. 1, 1942. The other nations here listed, except Iceland, signed on later dates. See the Twenty-first Report to Congress on Lend-Lease Operations, pp. 44-45. Pursuant to that Declaration, the signatory nations subscribed to the Atlantic Charter of Aug. 14, 1941 (the Joint Declaration of the President of the United States and the Prime Minister of the United Kingdom).

<sup>3</sup> A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946, of territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>4</sup> Wind-up of residual accounts and claims.

## ADDENDUM

Aid was furnished, under special circumstances and specific conditions, to certain countries which never had formally been declared eligible for formal lend-lease treatment. These are Burma (see above table), Denmark, Finland, Greenland, Italy, Panama, Sweden, and Thailand.

Transfers to Denmark were made pursuant to arrangements described in the Twenty-first Report to Congress on Lend-Lease Operations, and those made to Italy were pursuant to arrangements described in the Twenty-third Report to Congress on Lend-Lease Operations. In respect to the others named a *modus operandi*, very similar to that used for lend-lease cash-reimbursement transactions but not under the Lend Lease Act, was used to help these governments to acquire approved essential goods and services.

## APPENDIX II

NOTE.—There are reprinted in this section for purposes of convenience most of the principal laws and documents relating to lend-lease. Nearly all of these have been included in previous reports, several of which are now out of print. The text of the Lend-Lease Act of March 11, 1941, appears below in the form in which it was originally passed.

### PUBLIC LAW 11

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 11, 1941*

AN ACT Further to promote the defense of the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as “An Act to Promote the Defense of the United States.”

### SECTION 2

As used in this Act—

(a) The term “defense article” means—

- (1) Any weapon, munition, aircraft, vessel, or boat;
- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commodity or article for defense.

Such term “defense article” includes any article described in this subsection: manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term “defense information” means any plan, specification, design, prototype, or information pertaining to any defense article.

## SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United

States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of conveying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

#### SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

#### SECTION 5

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may

be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

#### SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

#### SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

#### SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

## SECTION 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

## SECTION 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 27, 1941*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved October 28, 1941*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to

the United States under such contracts, shall at no time exceed \$600,000,000.

### PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved March 5, 1942*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

### PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved October 26, 1942*

#### TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States," approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 201 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation act for the same purpose, shall be deemed to include the authority to procure,



dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

## PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

*Approved March 11, 1943*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947."

## PUBLIC LAW 304

SEVENTY-EIGHTH CONGRESS, SECOND SESSION

*Approved May 17, 1944*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: " : *Provided, however*, That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on

the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

## PUBLIC LAW 31

SEVENTY-NINTH CONGRESS, FIRST SESSION

*Approved April 16, 1945*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949."

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier", inserting a semicolon, and the following new language: "*Provided, however,* That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction."

## PUBLIC LAW 521

SEVENTY-NINTH CONGRESS

*Approved July 23, 1946**Title I. General Appropriations*

DEFENSE AID—LEND-LEASE

\* \* \* \* \*

Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and other Acts mentioned in said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided*, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

\* \* \* \* \*

SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946."

## PUBLIC LAW 271

EIGHTIETH CONGRESS

*Approved July 30, 1947*

AN ACT Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided*, That the fore-

going amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of only Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

\* \* \* \* \*

## PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

*Approved May 10, 1948*

GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

## PUBLIC LAW 785

EIGHTIETH CONGRESS, SECOND SESSION

*Approved June 25, 1948*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiency appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

### DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

Administrative expenses: For the liquidation by the Treasury Department in the fiscal year 1949 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, \$250,000.

Obligations: Not to exceed \$25,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1949, for liquida-

tion of obligations incurred under said Act prior to June 30, 1946, and for payment of claims, approved prior to June 30, 1949, under a patent interchange agreement executed pursuant to said Act.

## PUBLIC LAW 343

EIGHTY-FIRST CONGRESS

*Approved October 10, 1949*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1949, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

Administrative expenses: For the liquidation by the Treasury Department in the fiscal year 1950 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, including personal services in the District of Columbia, \$100,000.

Obligations: Not to exceed \$1,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1950, for payment of claims, received prior to December 31, 1949, under a patent interchange agreement executed pursuant to said Act.







# THIRTY-FIFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTY-FIFTH REPORT TO CONGRESS  
ON LEND-LEASE OPERATIONS FOR THE YEAR  
ENDING DECEMBER 31, 1953

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Payments and Settlements  
General Statements of Account  
Current Settlement Negotiations  
Liberia Port Project

---

Lend-Lease Fiscal Operations  
Status of Nations  
Funds Appropriated and Authorized  
Lend-Lease Act



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1954

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**Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b) )**

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## PRESIDENT'S LETTER OF TRANSMITTAL

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THE WHITE HOUSE, *April 29, 1954.*

*To the Congress of the United States:*

I transmit herewith the Thirty-fifth Report to Congress on Lend-Lease Operations covering the calendar year of 1953.

Collections and credits realized during the year against lend-lease repayment obligations aggregated more than \$48 million.

Brazil completed payments due under the Supplementary Settlement Arrangement of April 19, 1950, and made a substantial payment on the Settlement Arrangement of April 15, 1948. Costa Rica liquidated its lend-lease obligations under the Settlement Arrangement of October 18, 1950.

Other countries made scheduled payments as called for in their settlement agreements,—for example, France, the Netherlands and the United Kingdom made large dollar payments on lend-lease account.

Information on these and other topics of lend-lease interest is contained in some detail in the text of the report.



DWIGHT D. EISENHOWER

(Enclosure: Thirty-fifth Report to Congress on Lend-Lease Operations.)

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## THIRTY-FIFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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### PREAMBLE

During 1953 receipts on Lend-Lease runded accounts amounted to a little over \$45 million. To this there was added another \$3 million, representing a previously completed offset transaction. The total then is \$48,374,745.71 and brings the cumulative value to December 31, 1953, of all payments and credits to \$477,394,768.70, against debtor government obligations of \$1,577,479,347.50, plus interest.

Not included are transactions which were paid for in cash by foreign governments and the lend-lease silver loans. Broken down, the receipts to December 31, 1953, are made up of dollar payments of 364.5 million; foreign currencies valued at 32.9 million; property, buildings and associated acquisitions of 2.5 million; and finally, claims and other credits having a value of 77.5 million.

The terms of payment of most of the lend-lease settlements call for scheduled payments over varying periods of time. These terms are in consonance with the provisions of Article VII of the several Master Lead-Lease Agreements, to the effect that final settlement terms would be such as not to burden commerce nor hamper mutually advantageous economic relations.

A number of lend-lease countries have fully discharged their financial commitments to the United States. Others are still paying on schedule—and they include such larger accounts as the United Kingdom, France, Brazil, and the Netherlands. Several governments have not as yet come to settlement terms. Although the number of such countries is comparatively small, their total potential debt to the United States is important financially.

Efforts are continually being made to reach lend-lease settlements with Peru, Poland, and the Union of Soviet Socialist Republics. Constant attention is given to other unsettled accounts, as well as to those that are in arrears. The action taken in each case is, of course, geared to, among other things, the political and economic situation in the debtor country at the time.

An independent, nongovernmental, survey team started work on a comprehensive survey of the lend-lease financed port project at Monrovia, Liberia. The cost of this survey is to be paid out of revenues of the port.

## PAYMENTS AND SETTLEMENTS

Significant payments on their respective lend-lease settlement agreements were made during the calendar year 1953 by the following:

France .....	\$15, 774, 817. 58
The Netherlands.....	2, 501, 168. 20
The United Kingdom.....	17, 549, 905. 17
The U. S. S. R.....	<sup>1</sup> 2, 800, 343. 00
The American Republics.....	9, 726, 010. 83

<sup>1</sup> Represents partial payment of interest made on post-V-J Day lend-lease account only.

A statement reflecting all payments made on lend-lease accounts during the reporting period is printed on page 3.

Final payments, constituting full settlement under the terms of their formal lend-lease agreements, were made during 1953 by two countries, as shown below:

### BRAZIL

By the payment of the last scheduled installment due under the terms of the "*Supplement No. 1 to the Brazilian Lend-Lease Settlement Arrangement of April 15, 1948*", signed on April 19, 1950, the Government of Brazil liquidated one phase of its over-all lend-lease commitment to the United States.

### COSTA RICA

In February 27, 1953, the Government of Costa Rica paid the final installment due under the terms of "*The Costa Rican Lend-Lease Settlement Arrangement of October 18, 1950*", thereby liquidating its fiscal responsibilities incurred for defense aid furnished by the United States under the Agreement of January 16, 1942. Provision covering the transfer of lend-lease goods to third parties and the protection of American patent holders interested in such goods remain in effect.

As one of the American republics originally declared eligible for lend-lease aid Costa Rica declared war on the Axis powers on December 8, 1941, and signed the Declaration of United Nations on January 1, 1942.

## GENERAL STATEMENTS OF ACCOUNT

On this and the next page there are published statements covering (a) collections and credits made on lend-lease accounts during 1953; (b) cumulative data covering the various lend-lease accounts showing the originally agreed amounts owed to the United States, the dollar values of payments made through December 31, 1953, and amounts remaining to be paid though, for the most part, not yet due; and (c) a statement providing a breakdown, by principal category, of cumulative payments made through December 31, 1953.

Dollar collections, when received on lend-lease account, are deposited with the Treasury Department and, after crediting the paying country's account, are placed in a miscellaneous receipts account. When payments are accepted in foreign currencies such funds usually are used to defray approved United States Government expenses abroad and their dollar equivalent, derived from previously appropriated moneys, is handled in the same way through the Treasury Department.

As has been shown, a sum in excess of \$477 million has, up to the reporting date, gone into such miscellaneous receipts. An amount of over \$1.1 billion, plus interest, remains to be collected.

### STATEMENT REFLECTING TOTAL PAYMENTS MADE BY LEND-LEASE COUNTRIES FROM JAN. 1, 1953 THROUGH DEC. 31, 1953

During 1953 collections and credits made under the terms of Lend-Lease Agreements and Settlement Agreements were as follows:

	U. S. dollars	Foreign currency	Real property and improvements	Other credits
Ethiopia.....			\$22,500.93	
France.....	\$14,300,471.12	\$1,474,346.46		
Netherlands.....	2,470,418.45		30,749.75	
United Kingdom and colonies.....	17,381,042.67	168,862.50		
Union of Soviet Socialist Republics.....	<sup>1</sup> 2,800,343.00			
American Republics.....	5,558,594.13	1,167,416.70		<sup>2</sup> \$3,000,000.00
<b>Total.....</b>	<b>42,510,869.37</b>	<b>2,810,625.66</b>	<b>53,250.68</b>	<b>3,000,000.00</b>
<b>Total lend-lease collections during calendar year 1953.....</b>				<b>48,374,745.71</b>

<sup>1</sup> Partial payment of interest on post-V-J Day lend-lease account only.

<sup>2</sup> Represents an offset transaction not previously reported.



#### 4 35TH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

### LEND LEASE ACCOUNTS SHOWING TOTAL PRINCIPAL AMOUNT OWED TO THE UNITED STATES, AGGREGATE PAYMENTS MADE THROUGH DECEMBER 31, 1953, AND PRINCIPAL AMOUNT OUTSTANDING

Country	Settlement obligation	Paid through Dec. 31, 1953	Balance to be paid
Australia.....	\$20,500,000.00	\$20,500,000.00	-----
Belgium and Belgian Congo.....	55,004,573.93	55,004,573.93	-----
China.....	50,344,968.65	<sup>1</sup> 5,644,951.07	\$44,700,017.58
Czechoslovakia.....	172,961.45	172,961.45	-----
Ethiopia.....	200,000.00	118,601.34	81,398.66
France.....	353,300,000.00	75,322,452.74	277,977,547.26
Iran.....	8,541,040.75	7,829,287.39	711,753.36
Liberia.....	19,443,182.39	150,000.00	19,293,182.39
Luxembourg.....	120.00	120.00	-----
Netherlands.....	67,500,000.00	31,400,145.18	36,099,854.84
Norway.....	5,900,000.00	-----	5,900,000.00
Turkey.....	4,500,000.00	4,500,000.00	-----
Union of South Africa.....	92,500,000.00	92,500,000.00	-----
Union of Soviet Socialist Republics.....	<sup>2</sup> 222,492,666.01	<sup>3</sup> 23,237,537.00	199,255,129.01
United Kingdom and Colonies.....	562,446,911.00	63,567,726.27	498,879,184.73
Yugoslavia.....	900,000.00	639,365.20	260,634.80
American Republics.....	113,732,923.32	96,807,047.13	16,925,876.19
Totals.....	1,577,479,347.50	477,394,768.70	<sup>4</sup> 1,100,084,578.82

### CUMULATIVE STATEMENT SHOWING, BY CATEGORIES, TOTAL PAYMENTS MADE BY LEND-LEASE COUNTRIES TO DECEMBER 31, 1953

Country	U. S. dollars	Foreign currency	Real property and improvements	Other credits
Australia.....	\$20,000,000.00	-----	\$500,000.00	-----
Belgium and Belgian Congo.....	-----	-----	-----	\$55,004,573.93
China.....	<sup>1</sup> 5,644,951.07	-----	-----	-----
Czechoslovakia.....	-----	\$172,961.45	-----	-----
Ethiopia.....	-----	-----	118,601.34	-----
France.....	57,791,197.33	16,818,130.49	713,124.92	-----
Iran.....	7,829,287.39	-----	-----	-----
Liberia.....	150,000.00	-----	-----	-----
Luxembourg.....	120.00	-----	-----	-----
Netherlands.....	11,405,973.96	-----	506,673.65	19,487,497.57
Turkey.....	4,500,000.00	-----	-----	-----
Union of South Africa.....	92,500,000.00	-----	-----	-----
Union of Soviet Socialist Republics.....	<sup>2</sup> 23,237,537.00	-----	-----	-----
United Kingdom and colonies.....	51,974,475.06	11,593,251.21	-----	-----
Yugoslavia.....	-----	16,300.00	623,065.20	-----
American Republics.....	89,529,070.24	4,277,976.89	-----	<sup>4</sup> 3,000,000.00
Totals.....	364,562,612.05	32,878,620.04	2,461,465.11	77,492,071.50
Total payments under lend-lease agreements.....	-----	-----	-----	477,394,768.70

<sup>1</sup> Refers only to post-war "pipeline agreement".

<sup>2</sup> Partial payment on post V-J Day lend-lease accounts only.

<sup>3</sup> Plus interest where applicable.

<sup>4</sup> Represents an offset transaction not previously reported.

## **CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS**

As stated in previous reports, several countries have not agreed to settlement terms for their lend-lease accounts. There are also a few other countries which, for one reason or another, have fallen behind in scheduled payments. Special attention is continually being given to all of these cases with a view to developing ways and means of bringing about the liquidation of these obligations to the United States as soon as practicable. The action taken varies among the debtor countries and is keyed to the foreign policy objectives of the United States throughout the world.

### **BOLIVIA**

The position of the Bolivian contingent lend-lease debt continues unchanged. Although all payments due under the basic Agreement of December 6, 1941, were completed several years ago Bolivia remains obligated to the United States in an appreciable amount for equipment furnished on a post-war basis to maintain and repair military equipment previously supplied under the lend-lease program during World War II.

### **CHINA**

During the calendar year of 1953 it was not expedient to resume active discussions with the National Government of the Republic of China for the settlement of its World War II accounts, including the lend-lease obligations.

### **ECUADOR**

Although the Government of Ecuador, in February 1951, liquidated its remaining fiscal responsibilities to the United States for defense aid furnished under the terms of the Ecuadoran Lend-Lease Agreement of April 6, 1942, there remains to be reached agreement to terms of settlement for goods furnished after the conclusion of the wartime program in order to repair and maintain military equipment previously made available as defense aid. The Department of State is continuing negotiations and expects Ecuador to agree to a mutually acceptable settlement.

## PERU

The progress which had been made toward the finalization of a lend-lease settlement with the Government of Peru was further, but unavoidably, retarded during 1953 by the force of circumstances beyond the United States' control. Peru, which made a substantial payment on its lend-lease debt during the war years, has officially recognized its remaining repayment responsibility to this Government although documents prepared for signature to affirm a fixed schedule of payments remain unsigned.

## POLAND

In the calendar year 1953 additional steps were taken by the Department of State in the effort to obtain a settlement with the Polish Government of its lend-lease account. Further representations, both oral and written, were made to the Polish Government but as of the end of the period covered by this report the Government of Poland had done nothing to settle its lend-lease debt to the United States.

## U. S. S. R.

Further efforts were made by the Department of State during 1953 to reach a settlement of the lend-lease obligations of the Soviet Government.

On March 20, 1953, the Department addressed a brief note (*Exhibit A*) to the Soviet Embassy at Washington requesting that the United States Government be informed when a reply to its note of November 5, 1952,<sup>1</sup> might be received. The Soviet Government had not replied either to the note of November 5, 1952, or to the note of March 20, 1953, when, on September 11, 1953, the Under Secretary of State called in the Soviet Ambassador to discuss the question of the lend-lease settlement negotiations and, more particularly, the failure of the Soviet Government to honor its obligations to return lend-lease vessels to the United States. The Under Secretary pointed out, among other things, that more than 6 years had elapsed since lend-lease negotiations were begun on April 30, 1947, and he requested that the Government of the United States be informed at an early date of the intentions of the Soviet Government with respect to the return of all United States owned lend-lease vessels as required under Article V of the Lend-Lease Agreement of June 11, 1942. The text of an aide-memoire presented to the Soviet Ambassador by the Under Secretary is included in *Exhibit B*.<sup>2</sup>

<sup>1</sup> See *Thirty-fourth Report to Congress on Lend-Lease Operations*.

<sup>2</sup> Department of State Press Release No. 676 of December 28, 1953.

Replying by note on October 20, 1953 (*Exhibit B*), the Soviet Ambassador stated that the Soviet Government has been steadfastly striving for a prompt lend-lease settlement and that during the course of the negotiations the Soviet side made substantial concessions. The Ambassador further stated that his Government expects the United States Government to make the necessary efforts to reach agreement on questions in the negotiations that are still unresolved, particularly on the amount of a financial settlement, and that the United States Government should recognize as valid previous agreements to sell certain lend-lease vessels to the Soviet Union.

The United States had made it unmistakably clear previously that its earlier offers and agreements to sell lend-lease vessels to the Soviet Union were in each instance expressly conditioned upon the conclusion of a prompt and satisfactory overall lend-lease settlement. When, by January of 1951, the Soviet Government still had not concluded an overall lend-lease settlement, the Government of the United States withdrew its previous offers to sell lend-lease vessels and requested the immediate return of all lend-lease vessels.<sup>3</sup>

On the question of a financial settlement, the note of the United States Government dated November 5, 1952, had pointed out that the Soviet Government, by its failure to return lend-lease vessels, was in default of the very agreement under which lend-lease negotiations have been conducted since April 1947 and asserted that when the Soviet Government had made arrangements to remedy this default the Government of the United States, in the interest of a settlement, would be prepared to make further proposals concerning financial terms.<sup>4</sup>

The Soviet note of October 20, 1953, concluded with the suggestion that the resumption of direct negotiations by representatives of the two Governments might serve as a practical step which might contribute to a more rapid achievement of an agreement, and that in these negotiations there may likewise be considered the technical questions connected with the return to the United States of 186 naval craft. The return of these naval craft had first been requested by the United States in September of 1948 and at no time had they been offered for sale to the Soviet Union.

The Under Secretary of State replied to the Soviet note of October 20, 1953, on November 24, 1953 (*Exhibit B*), and, taking note of the fact that the Soviet Government again had stated that it was prepared to return the 186 naval craft and that it was now willing to discuss the technical arrangements for the transfer of the vessels to the United States, proposed that representatives of the two Govern-

<sup>3</sup> See *Thirty-third Report to Congress on Lend-Lease Operations*.

<sup>4</sup> See *Thirty-fourth Report on Congress on Lend-Lease Operations*.

ments meet on December 15, 1953, to work out the details for the return of the vessels to the United States.

After a further exchange of communications (*Exhibit B*) discussions between representatives of the United States and Soviet Governments began on December 28, 1953, to work out the details for the return of the 186 naval craft to the United States.

Although another meeting of the negotiators was held on December 31, 1953, without progress being made—thus leaving the situation at the close of the year essentially unchanged—further talks covering the matter were to be held.

## EXHIBIT A

The Secretary of State presents his compliments to His Excellency the Ambassador of the Union of Soviet Socialist Republics and has the honor to refer to the note of the Government of the United States of November 5, 1952, concerning the obligations of the Soviet Government under the Master Lend-Lease Agreement of June 11, 1942.

The Government of the United States requests that it be advised when a reply to its note of November 5, 1952, may be received.

DEPARTMENT OF STATE,  
*Washington, March 20, 1953.*

## EXHIBIT B

Press release 676 dated December 28, 1953

Following are the texts of several communications exchanged between the Department of State and the Embassy of the Union of Soviet Socialist Republics on lend-lease matters:

### U. S. AIDE MEMOIRE OF SEPTEMBER 11, 1953

On November 5, 1952 the Acting Secretary of State addressed a note to His Excellency the Ambassador of the Government of the Union of Soviet Socialist Republics concerning the negotiations for a settlement of the obligations of the Soviet Government under the Master Lend-Lease Agreement of June 11, 1942. In this note it was pointed out that although the Soviet Government had expressed its readiness to return to the United States 186 naval craft, the return of which the Government of the United States initially requested in its note of September 3, 1948 and repeatedly requested thereafter, the Soviet Government had not been prepared to take any concrete action for this purpose. It was suggested that if it was in fact the intention of the Soviet Government to return those vessels, the Government of the United States should be informed without further delay of the dates and ports of return, or alternatively of the date when Soviet representatives would be available to work out with representatives of the Government of the United States the details for the return of the vessels.

The Acting Secretary's note also reiterated the position of the Government of the United States with respect to the other lend-lease vessels remaining in the custody of the Soviet Government. As had been made clear in the United States notes of April 6, 1951 and January 7, 1952 and in meetings of the lend-lease delegations of the two Governments since January 1951, the offers of the Government of the United States early in the settlement negotiations to sell lend-lease merchant vessels and a number of lend-lease naval craft were expressly conditioned upon the prompt conclusion of a satisfactory lend-lease settlement. When in January 1951 the Soviet Government had not arrived at a settlement of its lend-lease obligations the Government of the United States withdrew these offers and requested the return of all lend-lease vessels. Furthermore, it had become unmistakably clear from the history of the negotiations that the Soviet Government had consistently avoided the conclusion of a prompt settlement.

With respect to the question of a financial settlement the note of the Acting Secretary recalled that the Government of the United States had offered to accept the sum of \$800 million which it considered fair and reasonable compensation for the vast quantities of civilian-type lend-lease articles remaining in Soviet custody at the end of hostilities, but that in the interest of achieving a settlement, the Government of the United States was willing to reduce further this amount provided that a truly constructive offer were made by the Soviet side. It was again emphasized that the United States considered the Soviet offer of \$300 million to be far from fair and reasonable compensation for the residual lend-lease articles and it was pointed out furthermore, that the Government of the United States had to take into account the fact that by not returning the 186 naval craft and other vessels requested, the Soviet Government was in clear default of the very agreement under which negotiations have been carried on since April 1947. The note of the Acting Secretary of State affirmed that it is therefore the position of the Government of the United States that when the Soviet Government has made arrangements to fulfill its obligations under Article V of the Lend-Lease Agreement of

June 11, 1942, the Government of the United States in the interest of a settlement, will be prepared to make further proposals concerning a financial settlement.

On March 20, 1953 a further note was sent to the Embassy of the Union of Soviet Socialist Republics inquiring when a reply to the note of November 5, 1952 might be expected. No replies to either of these notes have been received by the Government of the United States.

As His Excellency is aware, more than six years have elapsed since the beginning on April 30, 1947 of the negotiations for a settlement of the obligations of the Soviet Government under the Lend-Lease Agreement of June 11, 1942. Accordingly, the Government of the United States requests that it be advised at an early date of the intentions of the Soviet Government with respect to the return of United States-owned lend-lease vessels as required under Article V of the Agreement of June 11, 1942.

DEPARTMENT OF STATE,  
Washington.

SOVIET NOTE OF OCTOBER 20

OCTOBER 20, 1953.

In connection with the aide memoire of the Department of State dated September 11 of this year, referring to the note of the Government of the USA dated November 5, 1952, on the subject of settling lend-lease accounts, I have the honor to communicate the following, under instructions from the Government of the Union of Soviet Socialist Republics.

The Soviet Government has been steadfastly striving for a very prompt settlement of the lend-lease accounts. In this connection it suffices to point out that the Soviet Government has returned to the United States 3 icebreakers, 27 frigates 7 tankers, and 1 dry-cargo vessel, and has agreed to return 186 naval vessels, Agreements concerning compensation for the use in the USSR of patents for oil-refining processes have been concluded with all firms which manifested a desire to negotiate on mutually acceptable terms. The Government of the USSR has repeatedly raised the total amount of compensation for the remainder of the lend-lease goods and has brought it up to \$300,000,000, while the Government of the USA, on its part, has not designated a new reduced total amount of compensation.

From the foregoing it follows that the Soviet side has in the course of the negotiations made substantial concessions and has introduced a number of constructive proposals directed toward the achievement of an agreement for settling the lend-lease accounts. The Soviet Government expects that the Government of the USA will make the necessary efforts for the achievement of an agreement on questions that are still undecided, especially on the question of the total amount of compensation for the remainder of the lend-lease goods, and that it will adopt measures for the fulfillment of the agreement previously concluded on the question of merchant and naval vessels. The Government of the USSR, on its part, is also prepared henceforth to cooperate for purposes of a swift and definitive settlement of all matters relating to the lend-lease accounts. The resumption of direct negotiations by representatives of the two parties might serve as a practical step which might contribute to a more rapid achievement of an agreement.

Technical questions connected with the transfer of the said 186 naval vessels may likewise be considered in these negotiations.

Accept, Excellency, the assurances of my highest consideration.

[s] ZARUBIN,

*Embassy of the Union of Soviet Socialist Republics, Washington.*

His Excellency, JOHN FOSTER DULLES,

*Secretary of State of the United States of America.*



## UNITED STATES NOTE OF NOVEMBER 24

NOVEMBER 24, 1953

EXCELLENCY: I have the honor to refer to your note No. 13 of October 20, 1953 concerning the negotiations for a settlement of the obligations of the Government of the Union of Soviet Socialist Republics under the Master Lend-Lease Agreement of June 11, 1942.

The Government of the United States notes that the Soviet Government has again stated that it is prepared to return the 186 naval craft initially requested by this Government on September 3, 1948. The Government of the United States also notes that the Soviet Government states it is now willing to discuss the technical arrangements for the transfer of these vessels to the United States. Accordingly, it is proposed that representatives of our two Governments meet on December 15, 1953 at the Department of State to work out the details for the return of these vessels to the United States.

The Government of the United States would appreciate being advised at the earliest possible date whether the above date is acceptable to the Soviet Government.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

[s] WALTER BEDELL SMITH.

His Excellency GEORGI N. ZARUBIN,

*Ambassador of the Union of Soviet Socialist Republics.*

## SOVIET NOTE OF DECEMBER 3

WASHINGTON, December 3, 1953.

EXCELLENCY: In connection with your note of November 24, 1953, on the the subject of settlement of lend-lease accounts, I have the honor to communicate to you that the Government of the Union of Soviet Socialist Republics is in agreement with the proposal of the Government of the United States that representatives of the Governments of the Union of the Soviet Socialist Republics and of the United States should meet on December 15, 1953, in the Department of State for a discussion of the said subject.

Accept, Excellency, the assurances of my high esteem for you.

[s] ZARUBIN.

His Excellency WALTER BEDELL SMITH,

*Acting Secretary of State of the United States.*

## UNITED STATES AIDE MEMOIRE OF DECEMBER 24

In its note of November 5, 1952, the Government of the United States pointed out that the Soviet Government, by its failure to return the 186 naval craft and other lend-lease vessels requested by the United States, was in default of the very agreement under which lend-lease negotiations have been carried on since April 1947. The Soviet Government was advised that it is therefore the position of the Government of the United States that when the Soviet Government has made arrangements to fulfill its obligations under Article V of the Lend-Lease Agreement of June 11, 1942, the Government of the United States in the interest of a settlement, will be prepared to make further proposals concerning a financial settlement.

The Soviet Government in its note of October 20, 1953 again stated that it has agreed to return the 186 naval craft and also stated that it is willing to discuss the technical arrangements for the transfer of these vessels to the United States. Accordingly, the United States proposed in its note of November 24, 1953 that representatives of the two Governments meet on December 15, 1953 at the Department of State to work out the details for the return of the 186 naval craft to the United States. His Excellency, the Ambassador of the Union of Soviet Socialist Republics, replied by note on December 3, stating that the Soviet Government was in agreement with the proposal of the Government of the United States that representatives of the two Governments meet on December 15.

From these exchanges of correspondence it was the expectation of the Government of the United States that working groups of the two Governments would meet on December 15 to work out the details for the return of the 186 naval craft to the United States. However, on December 14, His Excellency advised the Acting Secretary of State that the Soviet Government desired to deal simultaneously with all of the issues in the lend-lease negotiations including the return of the 186 naval craft to the United States. The Acting Secretary replied that the Government of the United States favored a step-by-step approach but nevertheless undertook to consider the Soviet position. Subsequently an officer of the Soviet Embassy informed the Department that it was the position of the Soviet Government that the meeting scheduled for December 15 should be cancelled.

The Government of the United States has carefully considered the position of the Soviet Government and has concluded that the various questions should be dealt with on a step-by-step basis. In reaching this conclusion, this Government has been guided by its belief that adherence to the terms of the Lend-Lease Agreement of June 11, 1942 can best contribute to the creation of the mutual understanding necessary to the negotiation of a final lend-lease settlement agreement.

With respect to the question of the 186 naval craft, the Government of the United States has taken into account the fact that the return of these craft was requested initially on September 3, 1948, more than five years ago, and that at no time were these vessels offered for sale to the Soviet Government. Furthermore, Article V of the Lend-Lease Agreement of June 11, 1942 provides unconditionally that the Soviet Government shall return lend-lease articles to the United States when requested to do so by the President of the United States. Accordingly the return of lend-lease vessels requested by the President of the United States is not an issue for negotiation nor can it be made dependent upon the resolving of other questions in the lend-lease negotiations.

It is the position of this Government, therefore, that the first step should be the working out of detailed arrangements for the return of the 186 naval craft. In this connection, the United States working group previously designated for this purpose will be prepared to meet at the earliest convenience of the Soviet representatives. Following the working out of such arrangements the two Governments should be prepared to take up the remaining matters under the Lend-Lease Agreement.

[Initialed by Under Secretary.]

WALTER BEDELL SMITH.  
W. B. S.

## SOVIET NOTE OF DECEMBER 26

DECEMBER 26, 1953.

EXCELLENCY: In reply to your aide memoire of December 24 of this year, I inform you that representatives of the Soviet Union agree to meet with representatives of the United States on December 28, or on another day suitable for them, for discussion of technical questions connected with the transfer of 186 naval craft. In this connection, I also inform you that the representatives of the Soviet Union were ready to discuss this question on December 15, and that the initiative for postponing the planned meeting did not come from the Embassy of the Union of Soviet Socialist Republics.

Accept, Excellency, the assurances of my high respect.

[s] ZARUBIN.

His Excellency, Mr. WALTER BEDELL SMITH,  
*Under Secretary of State, United States.*

## LIBERIA PORT PROJECT

In the *Thirty-third Report to Congress on Lend-Lease Operations* some general information was furnished on the port project at Monrovia, Liberia, which was financed with lend-lease funds. The total cost to the United States for the construction of this port is approximately \$20,000,000. The port was conceived as a self-liquidating project, with the United States to be reimbursed the full amount of the cost out of net revenues of the port. From the time of its opening in July 1948 through December 31, 1953, the end of the period covered by this report, the port's business increased steadily. The following figures give a clear picture of the port's activity during the period 1949-53, inclusive.

Year	Tonnage	Gross revenue	Net earnings
1949.....	94, 516	\$292, 400	\$100, 100
1950.....	133, 516	378, 300	91, 900
1951.....	347, 225	553, 700	191, 324
1952.....	1, 065, 574	562, 000	147, 866
1953.....	<sup>1</sup> 1, 408, 000	<sup>1</sup> 600, 000	<sup>1</sup> 160, 000

<sup>1</sup> December estimated pending closing of books and final audit.

There are a number of unusual features about this particular lend-lease undertaking. For example, the United States is to be reimbursed over a long period of time out of the net revenues of the port; it follows that the sums to be repaid periodically to the United States are directly related to the amount of business done by the port and the skill and efficiency with which it is operated; the Liberian Government is greatly interested and directly concerned with the port's operations because of its importance to the economic well-being of that progressive nation; the Monrovia Port Management Company, a Delaware corporation, owned by a number of United States companies doing business in Liberia, has been bending its efforts toward the efficient operation of the port; there are no clear standards or precedents which could be used in judging the port's performance and in dealing with the various administrative and technical problems which arise from time to time. In these circumstances, the Department of State considered it prudent to have made an independent, non-governmental, survey of the port to assure that the interests and rights of all of the parties at interest would be equitably cared for

and properly protected. A competent survey team was selected and with the approval of the Liberian Government a contract was drawn calling for an analytical survey of the policies, procedures, operating routine and methods affecting the port. The Monrovia Port Management Company has given assurances of its full cooperation.

The schedules of tariffs listing charges made by the port for services rendered and all contracts involving the port are to be examined; policies governing the establishment of funded reserves and all types of insurance will be reviewed; techniques and routines applying to personnel and operating costs, accounting procedures, reports and other operating methods will be looked into. Technical aspects of the port operation, such as preventive maintenance practices, progressive modernization of freight handling facilities, dredging and desilting methods, etc., will be studied; and after all these details have been dealt with, they are to be synthesized into a comprehensive report which will include information and recommendations designed to promote timely reimbursement to the United States and full protection of the rights and interests of the Government of the United States, the Republic of Liberia, and the Monrovia Port Management Company, Ltd. This important task is scheduled for completion on March 1, 1954.

## CONCLUSION

Last published in the *Thirty-third Report to Congress on Lend-Lease Operations* there again are presented in this report as Appendixes I (a), I (b), and I (c) a series of statements summarizing defense aid furnished by the United States and, as Appendix III, there is presented a final composite statement covering defense aid appropriations and authorizations.

The regularly published "*Status of Nations*" tabulation, including changes which took place in 1953, appears as Appendix II while the formal text of the Act of March 11, 1941, and significant amendments thereto, appears as Appendix IV.

These and other substantive articles and statistical data which have appeared in these reports are listed below according to the report and page number where most recently published:

Subject	Lend-Lease report	Page
Appropriations and authorizations.....	Thirty-fifth.....	30
British colonial dependencies.....	Twenty-second.....	88
British "White Paper" of Sept. 10, 1941.....	do.....	36
"Cargoes, Incorporated".....	Sixth.....	12
Chronology of lend-lease to January 1946.....	Twenty-first.....	54
Declaration of United Nations.....	Seventh.....	32
Defense aid provided.....	Thirty-fifth.....	21
Executive orders establishing:		
Office of Lend-Lease Administration.....	Eighteenth.....	76
Foreign Economic Administration <sup>1</sup> .....	do.....	74
Facts and fiction of lend-lease.....	Nineteenth.....	40
General statements of account.....	Thirty-fifth.....	3
Lend-Lease Act of Mar. 11, 1941.....	do.....	31
Liberia port project.....	do.....	15
Pipeline operations.....	Twenty-third.....	18
Reciprocal aid (reverse lend-lease).....	Thirty-third.....	27
Silver accounts.....	do.....	29
Status of nations.....	Thirty-fifth.....	23
Status of nations (old form) <sup>2</sup> .....	Twenty-first.....	44
Termination of Lend-Lease.....	Thirty-second.....	40

<sup>1</sup> Executive Order 9630, September 27, 1945, ordered the redistribution to the Department of State (part I, par. 2) of all lend-lease functions exercised by the Foreign Economic Administration and its agencies.

<sup>2</sup> This table entitled "Status of Nations" appeared in earlier issues of the *Report to Congress on Lend-Lease Operations*; it furnished dates of the signing of reciprocal aid agreements, where agreements of that type were made, and the date on which the various governments signed the *Declaration by United Nations of 1948* (not to be confused with the *Charter of the United Nations* which was signed in San Francisco in 1945).

NOTE.—The reports in which some of the lend-lease agreements have appeared may be ascertained by referral to the Status of Nations tabulation published as Appendix II in this report.



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## **APPENDIXES**

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## APPENDIX I

### LEND-LEASE FISCAL OPERATIONS

Executive Order No. 9726 of May 17, 1946, placed with the Treasury Department the responsibility for the preparation of official data of fiscal nature concerned with lend-lease operations. The last previous statements of this kind were those which appeared in the *Thirty-third Report to Congress on Lend-Lease Operations* covering a period ending December 31, 1951.

It has been considered useful to include them in this report as Appendixes I (a), I (b) and I (c) to show the status of the various lend-lease accounts as of December 31, 1953.

Although discrepancies may be noted when comparing certain of the figures appearing in these statements with other published data this may be accounted for by the fact that the reconciliation of some of the country accounts is still in the processing stage in the Treasury Department and, in the cases of the U. S. S. R., China and others, that work has not yet been undertaken. Therefore, it is suggested that these data be used for guide-line purposes only and that correlative data published elsewhere in this report be accepted as being based upon the official records of this Government.

## APPENDIX I (a)

Summary statement of defense aid provided, cumulative through Dec. 31, 1953

SOURCE OF FUNDS	
From appropriations to:	
Lend-Lease Administration appropriation.....	\$25, 131, 436, 735. 49
Less: Obligations in excess of reports of defense aid provided.....	26, 975, 638. 86
Department of the Army appropriations.....	\$25, 104, 461, 096. 63
Department of the Navy appropriations.....	19, 527, 175, 620. 28
Maritime (W. S. A.) appropriations.....	4, 757, 623, 070. 76
From foreign government funds.....	620, 647, 410. 38
Less: Obligations in excess of reports of defense aid provided.....	221, 503, 783. 49
From reissues of returned lend-lease articles.....	1, 221, 503, 783. 49
1, 042, 394. 71	1, 042, 394. 71
Total.....	\$50, 232, 453, 376. 25
DEFENSE AID PROVIDED	
Charged to foreign governments:	
Materials.....	\$46, 995, 915, 543. 25
Services and other expenses.....	1, 247, 536, 478. 55
Aid furnished through commanding generals.....	680, 351, 211. 72
Not charged to foreign governments:	
Construction in U. S. to facilitate lend-lease.....	720, 803, 118. 11
Administrative expenses.....	40, 113, 026. 92
Losses on inventories and facilities.....	31, 172, 831. 39
Miscellaneous charges.....	516, 561, 166. 31
Total aid provided.....	1, 308, 650, 142. 73
	50, 232, 453, 376. 25

<sup>1</sup> In addition, the foreign governments have paid approximately \$950 million to the United States for lend-lease items purchased out of U. S. Government funds. This money has been or will be reappropriated or deposited to the General Fund of the Treasury.





APPENDIX I (c)									
Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1955 (through Dec. 31, 1955)									
	Total	Defensive and offensive arms	Aircraft and weapons (air and land)	Tanks and other vehicles	Vessels and other watercraft	Machinery and other equipment	Facilities and other construction	Transportation equipment, other than aircraft	Services and other
CHARGES TO FOREIGN GOVERNMENTS									
American Republics.....	8,411,335.15	8,411,335.15	8,411,335.15						
Argentina.....	6,752,856.00	6,752,856.00	6,752,856.00						
Brazil.....	109,411.29	109,411.29	109,411.29						
Chile.....	12,328.15	12,328.15	12,328.15						
Colombia.....	17,865.79	17,865.79	17,865.79						
Dominican Republic.....	27,252.56	27,252.56	27,252.56						
Ecuador.....	841,127.63	841,127.63	841,127.63						
El Salvador.....	30.00	30.00	30.00						
Haiti.....	6,184.78	6,184.78	6,184.78						
Honduras.....	598,885.45	598,885.45	598,885.45						
Mexico.....	11,606.00	11,606.00	11,606.00						
Panama.....	2,570.00	2,570.00	2,570.00						
Paraguay.....	11,606.00	11,606.00	11,606.00						
Venezuela.....	11,606.00	11,606.00	11,606.00						
Total, American Republics.....	10,489,200.80	10,489,200.80	10,489,200.80						
Other governments									
Belgium.....	152,612.87	152,612.87	152,612.87						
France.....	782,213.14	782,213.14	782,213.14						
Germany.....	4,602,539.71	4,602,539.71	4,602,539.71						
Italy.....	63,117.72	63,117.72	63,117.72						
Japan.....	5,802,917.35	5,802,917.35	5,802,917.35						
United Kingdom.....	27,321.50	27,321.50	27,321.50						
Spain.....	123,631,206.22	123,631,206.22	123,631,206.22						
Sweden.....	13,107,800.00	13,107,800.00	13,107,800.00						
Switzerland and possessions.....	76,188,778.27	76,188,778.27	76,188,778.27						
Norway.....	6,444,308.23	6,444,308.23	6,444,308.23						
Denmark.....	102,750.84	102,750.84	102,750.84						
South Arabia.....	4,602,718.81	4,602,718.81	4,602,718.81						
TURKEY.....	278,129,002.62	278,129,002.62	278,129,002.62						
Venezuela.....	75,000.00	75,000.00	75,000.00						
Total, other governments.....	2,228,616,146.50	2,228,616,146.50	2,228,616,146.50						
Total, charges to foreign governments.....	2,239,046,387.29	2,239,046,387.29	2,239,046,387.29						
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS									
Losses on inventories and facilities.....	21,852,308.50	21,852,308.50	21,852,308.50						
Miscellaneous charges.....	97,412,791.63	97,412,791.63	97,412,791.63						
Total, not distributed by foreign governments.....	119,265,100.13	119,265,100.13	119,265,100.13						
Grand total.....	2,358,311,487.42	2,358,311,487.42	2,358,311,487.42						

Transfers were made pursuant to arrangements described in the Twenty-fifth Report to the Congress on Land Lease Operations, pp. 8 and 9.

Transfers were made pursuant to arrangements described in the Twenty-fifth Report to the Congress on Land Lease Operations, pp. 21 and 22, indicate.





## APPENDIX II

### STATUS OF NATIONS

The tabulation entitled "Status of Nations" as presented in the following pages reflects the progress made up to the close of the reporting period in the settlement of lend-lease, reciprocal aid, and other related accounts arising out of World War II defense aid programs. Included are citations of all such lend-lease settlements and other related agreements which had been concluded by December 31, 1953.

It should be noted that many of the agreements have been printed in the publications identified in the tabulation.

NOTE.—A loose-leaf publication entitled *United States Treaty Developments* has been prepared and issued by the Department of State. Brought periodically up to date by means of supplementary sheets, this work provides the date of each treaty or other agreement, a summary of its substance, statutory authority, where published, and whether modified, amended, renewed or expired, as well as other pertinent information.



## STATUS OF NATIONS

## KEY TO ABBREVIATIONS

L-L Rpt.—Report to Congress on Lend-Lease Operations.  
 TIAS—Treaties and Other International Acts Series (published by Department of State).  
 EAS—Executive Agreement Series (published by Department of State).  
 UST—United States Treaties and Other International Agreements (published by Department of State).  
 Stat.—United States Statutes at Large.

*Lend-lease and related agreements*

[As of Dec. 31, 1953]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt., p. 24; EAS 271; 56 Stat. 1608.	June 7, 1946	23d L-L Rpt., p. 50; TIAS 1523; 60 Stat. 1707.	Mar. 8, 1945	Marine Transportation and Litigation, EAS 467; 59 Stat. 1499.
Belgium.....	June 13, 1941	June 16, 1942		Sept. 24, 1946 Apr. 20, 1950	23d L-L Rpt., p. 61; TIAS 2044; 62 Stat. (3) 3984. Joint undertaking under Agreement of Sept. 24, 1946; TIAS 2074; 1 UST 437.	Jan. 30, 1943 Aug. 4, 1943 Apr. 19, 1945 May 19, 1945	Reciprocal Aid, EAS 313; 57 Stat. 920. Acts of United States Armed Forces in Belgian Congo, EAS 395; 58 Stat. 1215. Reciprocal Aid, EAS 481; 59 Stat. 1642. Section 3 (c) Agreement <sup>1</sup> , 19th L-L Rpt., p. 66; EAS 431; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941		Nov. 22, 1947	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Dec. 6, 1941. (Final payment made and reported in 32d L-L Rpt., p. 2).		
Brazil.....	.....do.....	Mar. 3, 1942		Apr. 15, 1948	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 3, 1942.	June 23, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1707.

Burma.....				Apr. 19, 1950	Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to Lend-Lease Agreement of Mar. 3, 1942. (Final payment made and reported in 35th L-L Rpt., p. 2.)	Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947. Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Canada.....	Nov. 11, 1941	Nov. 30, 1942	By exchange of notes, accepted principles of art. VII of United Kingdom Lend-Lease Agreement.	Mar. 14, 1949	Exchange of notes (for cash purchases); 28th L-L Rpt., p. 13; TIAS 1925; 63 Stat. (3) 2432.	May 26, 1943	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301.
Chile.....	May 6, 1941	Mar. 2, 1943		Feb. 28, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 2, 1943. (Final payment made and reported in 32d L-L Rpt., p. 2.)	Nov. 11, 1943	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301.
China.....	do.....	June 2, 1942	5th L-L Rpt., p. 206; EAS 251; 56 Stat. 1404.			May 21, 1943	Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1532; 61 Stat. (3) 2520.
Colombia.....	do.....	Mar. 17, 1942		Apr. 13, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 17, 1942. (Final payment made and reported in 33d L-L Rpt., p. 3.)	June 14, 1946	Acts of Armed Forces, EAS 360; 57 Stat. 1428. Pipeline Agreement, 23d L-L Rpt., p. 69; TIAS 1533; 60 Stat. 1760.
Costa Rica.....	do.....	Jan. 16, 1942		Oct. 18, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Jan. 16, 1942. (Final payment made and reported in 35th L-L Rpt., p. 2.)	June 28, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. (4) 3895.

See footnotes at end of table, p. 29.

STATUS OF NATIONS—Continued  
Lend-lease and related agreements—Continued

[As of Dec 31, 1953]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement		Lend-lease settlement		Other related agreements	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Cuba.....	May 6, 1941	Nov. 7, 1941	-----	Apr. 26, 1951	Final payment under Lend-Lease Agreement of Nov. 7, 1941; reported in 33d L-L Rpt., p. 3.		
Czechoslovakia.....	Jan. 5, 1942	July 11, 1942	EAS 261; 56 Stat. 1562.	July 25, 1947 Sept. 16, 1948	TIAS 1676; 61 Stat. (4) 3410. 28th L-L Rpt., p. 3; TIAS 1816; 63 Stat. (3) 2860.		
Dominican Republic.....	May 6, 1941	Aug. 2, 1941 Aug. 6, 1941	----- (Supplement)	Apr. 26, 1949	Final payment under Lend-Lease Agreement of Aug. 2, 1941; reported in 29th L-L Rpt., p. 1.		
Ecuador.....	do	Apr. 6, 1942	-----	Feb. 12, 1951	Final payment under Lend-Lease Agreement of Apr. 6, 1942; reported in 32d L-L Rpt., p. 3.		
Egypt.....	Nov. 11, 1941	Feb. 2, 1942	-----	May 26, 1950	Cash purchases only. Final payment under Lend-Lease Agreement of Feb. 2, 1942; reported in 32d L-L Rpt., p. 3.		
El Salvador.....	May 6, 1941	-----	-----	-----	-----		
Ethiopia.....	Dec. 7, 1942	Aug. 9, 1943	EAS 334; 57 Stat. 1043.	May 20, 1949	29th L-L Rpt., p. 29; TIAS 1931; 63 Stat. (3) 2446.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt. p. 29; EAS 273; 56 Stat. 1614.
France.....	Nov. 11, 1941	Feb. 28, 1945	EAS 456; 59 Stat. 1304.	May 28, 1946	23d L-L Rpt., (3) 4175.	Sept. 25, 1943	Reciprocal Aid, 6th L-L Rpt. p. 29; EAS 273; 56 Stat. 1614.
				Mar. 14, 1949	Financial Settlement; 28th L-L Rpt., (3) 4175; TIAS 1936; 63 Stat. (3) 2507.		North and West Africa, 13th L-L Rpt., p. 66; EAS 483; 59 Stat. 1669.
				do	Maritime Claims; 28th L-L Rpt., p. 10; TIAS 1935; 63 Stat. (3) 2499.	Feb. 28, 1945	Section 3 (c) Agreement; EAS 453; 56 Stat. 1304.
Greece.....	Mar. 11, 1941	July 10, 1942	-----	-----	-----	Feb. 27, 1948	Expenditures of U. S. Armed Forces; TIAS 1930; 63 Stat. (3) 2506.
Guatemala.....	May 6, 1941	Nov. 16, 1942	EAS 260; 56 Stat. 1559.	Sept. 30, 1946	Settlement under Lend-Lease Agreement of Nov. 16, 1942.		

Haiti	do.	Sept. 16, 1941		Mar. 3, 1948	Final payment under Lend-Lease Agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. vi.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 382, 58 Stat. 1189.
Honduras	do.	Feb. 28, 1942		Feb. 10, 1949	Final payment under Lend-Lease Agreement of Feb. 28, 1942; reported in 28th L-L Rpt., p. i.	Dec. 21, 1945	Transfer on Credit; unpublished correspondence.
Iceland	July 1, 1941	Nov. 21, 1941	EAS 429, 58 Stat. 1455.	May 16, 1946	Cash purchases only.	Dec. 31, 1943	Port Project Agreement, EAS 411, 58 Stat. 1357.
India	Nov. 11, 1941				23d L-L Rpt., p. 44; TIAS 1532, 60 Stat. 1783.		
Iran	Mar. 10, 1942				Cash purchases only.		
Iraq	May 1, 1942	July 31, 1945	EAS 470, 59 Stat. 1535.		Other cash transactions only.		
Liberia	Mar. 10, 1942	June 8, 1943	EAS 394, 57 Stat. 978.		Arrangement for full settlement within basic terms of Lend-Lease Agreement of Sept. 16, 1941.		
Mexico	May 6, 1941	Mar. 18, 1943		Feb. 24, 1951	24th L-L Rpt., p. 22; TIAS 1700, 61 Stat. (4) 3024.	June 14, 1943	Reciprocal Aid, EAS 326; 57 Stat. 991.
Netherlands	Aug. 21, 1941	July 8, 1942	EAS 289, 56 Stat. 1554.	May 28, 1947		Apr. 30, 1945	Section 3 (c) Agreement. Reciprocal Aid, EAS 490; 59 Stat. 1627.
New Zealand	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement, EAS 272, 56 Stat. 1611.	July 10, 1946	23d L-L Rpt. p. 56; TIAS 1536, 60 Stat. 1791.	June 8, 1950	Maritime Claims, TIAS 2119; 1 UST 638.
Nicaragua	May 6, 1941	Oct. 16, 1941		Sept. 26, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Oct. 16, 1941.	Sept. 3, 1942	Reciprocal Aid 6th L-L Rpt., p. 27, EAS 272; 56 Stat. 1611.
Norway	June 4, 1941	July 11, 1942	EAS 262, 56 Stat. 1565.	Feb. 24, 1948	26th L-L Rpt. p. 61; TIAS 1716, 62 Stat. (2) 1848.	May 29, 1945	Marine Transportation and Litigation, EAS 471, 59 Stat. 1541.
Paraguay	May 6, 1941	Sept. 20, 1941		Apr. 3, 1952	Final payment under Lend-Lease Agreement of Sept. 20, 1941; reported in 34th L-L Rpt., p. 2.		
Peru	do.	Mar. 11, 1942	EAS 257, 56 Stat. 1542.				
Poland	Aug. 28, 1941	July 1, 1942	Exchange of unpublished notes.				
Saudi Arabia	Feb. 18, 1943	Aug. 7, 1943	TIAS 1511; 60 Stat. 1576.	Mar. 21, 1947	24th L-L Rpt., p. 38; TIAS 1593, 61 Stat. (3) 2640.		
South Africa	Nov. 11, 1941	Apr. 17, 1945	EAS 465, 59 Stat. 1476.	May 7, 1946	23d L-L Rpt., p. 66; TIAS 1541, 60 Stat. 1809.		
Turkey	Nov. 7, 1941	Feb. 23, 1945					

See footnotes at end of table, p. 29.

**STATUS OF NATIONS—Continued**  
*Lend-lease and related agreements—Continued*

[As of Dec. 31, 1953]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
U. S. R.	Nov. 7, 1941	June 11, 1942	8th L-L Rpt., p. 50; EAS 253; 56 Stat. 1500.			Oct. 15, 1945	Pipeline Agreement, 21st L-L Rpt., p. 43.
		Feb. 23, 1942	4th L-L Rpt., p. 50, and 21st L-L Rpt., p. 62; EAS 241; 56 Stat. 1433.	Dec. 6, 1945	22d L-L Rpt., p. 45; TIAS 1509; 60 Stat. 1325.	Sept. 27, 1949	Return of Ice Breakers and Frigates, TIAS 2060; 63 Stat. (3) 2810.
United Kingdom	Mar. 11, 1941			Mar. 27, 1946	22d L-L Rpt., p. 48; TIAS 1509; 60 Stat. 1325.	Aug. 14, 1941	Atlantic Charter, EAS 236; 55 Stat. 1603.
				Feb. 28, 1947	Esponsored Claims, TIAS 1635; 61 Stat. (3) 3012.	July 27, 1942	Acts of Armed Forces, EAS 355; 57 Stat. 1193.
				Jan. 7, 1948	Surplus in Middle East, TIAS 1698; 62 Stat. (2) 1836.	Aug. 24, 1942	Patent Interchange, EAS 268; 56 Stat. 1947.
				June 18, 1948	Unpublished Settlement of U. S. Army claims subsequent to period covered by agreements of Mar. 27, 1946.	Sept. 3, 1942	Reciprocity, 6th L-L Rpt., p. 22; EAS 270; 56 Stat. 1603.
				June 20, 1948	Unpublished acknowledgment of discharge of obligations under agreement relating to Petroleum (VI) of Mar. 27, 1946.	Dec. 4, 1942	Marine Transport and Litigation, EAS 282; 56 Stat. 1780.
						Mar. 28, 1944	Acts of Armed Forces, TIAS 1602; 61 Stat. (3) 2728.
						Mar. 27, 1946	Amended Patent Interchanges Agreement, TIAS 1510; 60 Stat. 1568.
				July 12, 1948	Joint Installations in Middle East, TIAS 1769; 62 Stat. (2) 2097.	May 7, 1946	Marine Transportation and Litigation, TIAS 1558; 60 Stat. 1938.
				-----do-----	Accounts and claims (wind-up of residual accounts and claims) 27th L-L Rpt., p. 59; TIAS 1770; 62 Stat. (2) 2034.	Jan. 23, 1947	Acts of Civilians, TIAS 1622; 61 Stat. (3) 2876.
				Apr. 28, 1952	Extension of Amendment of Settlement of Dec. 6, 1945; TIAS 2562.	June 27, 1947	Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014.

United Nations.....	Jan. 1, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 286; 55 Stat. 1600.	Cash purchases only.
Uruguay.....	May 6, 1941	Jan. 13, 1942	Prepaid in dollars.
Venezuela.....	May 6, 1941	Mar. 18, 1942	Final payment under Lend-Lease Agreement of Mar. 18, 1942; reported in 29th L-L Rpt., p. 2.
Yugoslavia.....	Nov. 11, 1941	July 24, 1942	27th L-L Rpt., p. 64; TIAS 1779; 62 Stat. (2) 2133.

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility for defense aid furnished, was accepted by each beneficiary nation. Approximately 97½ percent of the aggregate amount due has been paid in cash and/or through specially negotiated settlement arrangements.

<sup>2</sup> The Declaration by United Nations for a cooperative war effort was signed by 26 nations on Jan. 1, 1942. The other nations here listed, except Iceland, signed on later dates. See the Twenty-first Report to Congress on Lend-Lease Operations, pp. 44-45. Pursuant to that Declaration, the signatory nations subscribed to the Atlantic Charter of Aug. 14, 1941 (the Joint Declaration of the President of the United States and the Prime Minister of the United Kingdom).

<sup>3</sup> A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946 of territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>4</sup> Wind-up of residual accounts and claims.

## ADDENDUM

Aid was furnished, under special circumstances and specific conditions, to certain countries which never had formally been declared eligible for formal lend-lease treatment. These are Burma (see above table), Denmark, Finland, Greenland, Italy, Panama, Sweden, and Thailand.

Transfers to Denmark were made pursuant to arrangements described in the Twenty-first Report to Congress on Lend-Lease Operations, and those made to Italy were pursuant to arrangements described in the Twenty-third Report to Congress on Lend-Lease Operations. In respect to the others named a *modus operandi*, very similar to that used for lend-lease cash-reimbursement transactions but not under the Lend Lease Act, was used to help these governments to acquire approved essential goods and services.

## APPENDIX III

### LEND-LEASE APPROPRIATIONS AND AUTHORIZATIONS

In the Thirty-Third Report to Congress on Lend-Lease Operations there was published as Appendix IV and entitled "Funds Made Available for Lend-Lease," a statement showing the status, as of December 31, 1951, of defense aid appropriations and their respective authorizations.

The comprehensive tabulation covering similar data which is included in this report properly identifies all funds which were appropriated by the Congress for lend-lease purposes and indicates their ultimate disposition up to the end of the reporting period, December 31, 1953.







## APPENDIX IV

NOTE.—There are reprinted in this section for purposes of convenience most of the principal laws and documents relating to lend-lease. Nearly all of these have been included in previous reports, several of which are now out of print. The text of the Lend-Lease Act of March 11, 1941, appears below in the form in which it was originally passed.

### PUBLIC LAW 11

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 11, 1941*

AN ACT Further to promote the defense of the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as "An Act to Promote the Defense of the United States."

#### SECTION 2

As used in this Act—

(a) The term "defense article" means—

(1) Any weapon, munition, aircraft, vessel, or boat;

(2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;

(3) Any component material or part of or equipment for any article described in this subsection;

(4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection: manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

#### SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

#### SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

#### SECTION 5

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

## SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

## SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

## SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

## SECTION 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

## SECTION 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 27, 1941*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved October 28, 1941*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000.

## PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved March 5, 1942*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

## PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved October 26, 1942*

## TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States," approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 301 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation act for the same purpose, shall be deemed to include the authority to procure, dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

## PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

*Approved March 11, 1943*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947."

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PUBLIC LAW 304

SEVENTY-EIGHTH CONGRESS, SECOND SESSION

*Approved May 17, 1944*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however,* That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

PUBLIC LAW 31

SEVENTY-NINTH CONGRESS, FIRST SESSION

*Approved April 16, 1945*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949."

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier," inserting a semicolon, and the following new language: "*Provided, however,* That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contact or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction."

## PUBLIC LAW 521

SEVENTY-NINTH CONGRESS

*Approved July 23, 1946**Title I. General Appropriations*

## DEFENSE AID—LEND-LEASE

\* \* \* \* \*

Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and other Acts mentioned in said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided*, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

\* \* \* \* \*

SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946."

## PUBLIC LAW 271

EIGHTIETH CONGRESS

*Approved July 30, 1947*

AN ACT Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided*, That the foregoing amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of only Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

\* \* \* \* \*

## PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

*Approved May 10, 1948*

## GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

## PUBLIC LAW 785

EIGHTIETH CONGRESS, SECOND SESSION

*Approved June 25, 1948*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiency appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

Administrative expenses: For the liquidation by the Treasury Department in the fiscal year 1949 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, \$250,000.

Obligations: Not to exceed \$25,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1949, for liquidation of obligations incurred under said Act prior to June 30, 1946, and for payment of claims, approved prior to June 30, 1949, under a patent interchange agreement executed pursuant to said Act.

## PUBLIC LAW 343

EIGHTY-FIRST CONGRESS

*Approved October 10, 1949*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1949, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

Administrative expenses: For the liquidation by the Treasury Department in the fiscal year 1950 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, including personal services in the District of Columbia, \$100,000.

Obligations: Not to exceed \$1,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1950, for payment of claims, received prior to December 31, 1949, under a patent interchange agreement executed pursuant to said Act.

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# THIRTY-SIXTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTY-SIXTH REPORT TO CONGRESS  
ON LEND-LEASE OPERATIONS FOR THE YEAR  
ENDING DECEMBER 31, 1954

---

Payments and Settlements  
General Statements of Account  
Current Settlement Negotiations

---

Lend-Lease Fiscal Operations  
Status of Nations  
Lend-Lease Act



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Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))

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v.36

## PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *October 19, 1955.*

*To the Congress of the United States:*

I transmit herewith the Thirty-sixth Report to Congress on Lend-Lease Operations covering the calendar year of 1954.

An amount in excess of \$49 million was realized as the result of collections and credits during the year.

Brazil made the final payment under the Lend-Lease Settlement Arrangement of April 15, 1948, and completed the liquidation of that Government's defense aid commitments to the United States under the lend-lease programs. Final payment also was made by Nicaragua under the Lend-Lease Settlement Arrangement of September 26, 1951. The Government of Peru signed a Lend-Lease Settlement Arrangement with the United States on November 25, 1954, providing for the liquidation of its lend-lease indebtedness.

Various other countries continued to make payments under agreed settlement terms and, as usual, large installments on their accounts were paid by France, the Netherlands and the United Kingdom.

The report describes the developments during 1954 in the settlement negotiations with Poland and the Soviet Union.



DWIGHT D. EISENHOWER

(Enclosure: Thirty-sixth Report to Congress on Lend-Lease Operations.)

III



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v



# THIRTY-SIXTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## PREAMBLE

According to figures furnished by the Treasury Department, at the close of business on December 31, 1954 total payments and credits made on the principal accounts under lend-lease agreements amounted to \$387,752,792.28, and interest in the total amount of \$139,366,479.88 had been paid to the United States.

During 1954 two Governments, Brazil and Nicaragua, completed the liquidation of their lend-lease obligations to the United States, and one other, Peru, signed a formal undertaking for the discharge of its residual indebtedness on lend-lease account.

Considerable progress was made by the Treasury Department during the year in the work of reconciliation of the huge amount of fiscal data involving lend-lease wartime and post-war operations. It now is possible, for the first time, to present figures covering an important, but little publicized, phase of the over-all lend-lease operation during World War II known as "Cash Reimbursement Accounts."

Cash Reimbursement Accounts, in the lend-lease system, were separate and distinct from the much larger operations of "straight lend-lease." Through special procedures United States Government procurement channels were made available to other Allied Governments for their acquisition of vitally needed goods and equipment for which they were prepared to pay in dollars but which they were unable to find in the wartime open markets. In many instances the goods called for were not eligible for delivery under lend-lease criteria but were deemed by this Government sufficiently essential to other governments' requirements to recommend either their purchase, or their supply from stock, by this Government. The cost of such goods was reimbursable to the United States on a so-called "cash reimbursement" basis.

Following the completion of adjustments made in these accounts during the negotiation of various lend-lease settlement agreements, the total reported value of such "cash reimbursement" accounts at the end of 1954 was \$1,333,764,146.66. Payments amounting to



**2      36TH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS**

**\$1,300,744,426.44 have left an amount still unpaid of \$33,019,720.22. Payments made on "cash reimbursement" accounts during 1954 amounted to \$349,160.29 and included certain miscellaneous post-war monetary recoveries. Further details are to be found under the section of this report entitled "General Statements of Account."**

## PAYMENTS AND SETTLEMENTS <sup>1</sup>

Receipts accruing from payments made on lend-lease principal accounts and from related interest collections during the calendar year of 1954 amounted to \$49,531,312.76. Aggregate dollar payments amounted to more than \$48 million while foreign currency acquisitions and real property credits accounted for the balance.

Amongst these receipts were final payments made by the Governments of Brazil and Nicaragua under the terms of their respective lend-lease settlement arrangements. As with all such settlements, provisions controlling the retransfer of lend-lease goods to third countries and those assuring the protection of the patent rights of American interests in such goods are not waived but continue in effect indefinitely.

During the year the Government of Peru signed a formal settlement arrangement calling for the payment of certain residual accounts owed by it under the terms of the Lend-Lease Agreement of March 11, 1942.

### BRAZIL

With the payment on July 1, 1954 of the last scheduled installment under "*The Brazilian Lend-Lease Settlement Arrangement of April 15, 1948*", the Government of Brazil completed the liquidation of the last of a series of obligations to the United States which arose out of lend-lease operations during World War II.

Brazil, together with all of the other American Republics, became eligible to receive lend-lease assistance pursuant to the declaration made by the President of the United States on May 6, 1941. A formal lend-lease agreement was signed on October 1, 1941 but later was replaced by one more appropriate to wartime exigencies which was signed and put into effect on March 3, 1942. Within its general provisions Brazil received, in various forms, approximately \$361 million in defense aid as a major ally in World War II.

Severance of diplomatic relations with the Axis powers was undertaken by Brazil on January 28, 1942, and was followed by a formal declaration of war on August 22, 1942. The Declaration of United Nations of January 1, 1942 was signed by the Government of Brazil on April 10, 1943.

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<sup>1</sup> The basic authority to effect lend-lease settlements derives from section 3 (b) of the Act of March 11, 1941 and was delegated to the Secretary of State by Executive Order 9630, September 27, 1945.

As a part of its contribution to the Allied war effort Brazil voluntarily became the first Latin American country in history to send an expeditionary force to Europe where units of its air and ground forces joined United States forces in the Italian campaign.

#### NICARAGUA

On September 29, 1954, the Government of Nicaragua paid the last installment due under the terms of "*The Nicaraguan Lend-Lease Settlement Arrangement of September 26, 1951*" thereby completing payment for defense materials and supplies furnished by the United States pursuant to the terms of the Lend-Lease Agreement of October 16, 1941.

Among the first to take such action, Nicaragua declared war on the Axis powers on December 8, 1941. Declared eligible to receive lend-lease aid by the President on May 6, 1941, Nicaragua signed the United Nations Declaration on January 1, 1942.

#### PERU

The Government of Peru, on November 25, 1954, signed an undertaking to pay, over a reasonable period of time, certain residual balances due to the United States for defense aid rendered under the terms of the Peruvian Lend-Lease Agreement of March 11, 1942, and arrangements contingent thereto.

#### OTHER PAYMENTS

As a result of a variety of lend-lease-related transactions conducted during the war years, but frequently only coming up for action in post-war years, the United States has been paid large sums. A large proportion of these receipts have been through the liquidation of several so-called "cash reimbursement" accounts. That category of accounts, as has been stated, permitted lend-lease recipients to acquire, through United States Government procurement channels, on a full cash repayment basis, goods and supplies, needed by those governments in their war work, but either in limited supply in the open markets or ineligible under lend-lease criteria.

Still another type of payment consisted of moneys returned as the result of the settlement of claims arising out of lend-lease; other receipts were realized through approved retransfers of lend-lease goods by their original recipient governments to third parties, and through the repayment of special loans participated in by the former Lend-Lease Administration with other government agencies for the furtherance of the war effort.

It is not possible at this time to present a detailed statement of all of these various miscellaneous receipts. However, out of a total of so-called "cash reimbursement" accounts amounting to \$1,333,764,146.66 there remained for collection at the close of 1954 \$33,019,720.22 while payments under this category in 1954 amounted to \$349,160.29.

## GENERAL STATEMENTS OF ACCOUNT

### *Status of Lend-Lease Accounts*

Continuing the presentation of statistical data reporting the progress made in the liquidation of those accounts which are covered by settlement agreements, which was initiated in the *Thirty-fifth Report to Congress on Lend-Lease Operations* for the calendar year of 1953, there appear in the following pages statements brought up to the close of business on December 31, 1954 showing (a) collections and credits made under lend-lease settlements during 1954; (b) cumulative figures showing the amounts of the original obligations represented by the several settlement agreements, the dollar values of payments made on both principal and interest during 1954 and the balances outstanding on the principal amounts of the agreements at the close of the year; and, (c) a breakdown, by categories, of the cumulative receipts made through December 31, 1954.

From these statements it may be noted that, against an aggregate original creditor position of \$1,577,458,847.50 under settlement agreements the Government of the United States has received principal, interest payments and credits aggregating \$527,119,272.16 and that principal amounting to \$1,189,706,055.22 remains for future payment.

### *Status of "Cash Reimbursement" Accounts*

As described in the *Preamble* of this report, there are presented herein for the first time detailed data concerned with an important, though separate and distinct phase of war-time lend-lease operations conducted on behalf of its Allies by the Government of the United States. Data now presented provide (d) a tabulation, by country and dollar values, of payments received on cash reimbursement accounts during 1954, and, (e) a cumulative statement reflecting the total commitments incurred by lend-lease countries for materials furnished on cash reimbursement lend-lease requisitions as reported by the Treasury Department up to December 31, 1954.

Included in these figures are sundry receipts in the form of post-war recoveries from sources such as "war production royalties", collections made by the Department of Justice on claims concerned with damaged vessels, and other miscellaneous transactions relevant to lend-lease.

*Summary*

With these newly prepared data it now is possible to publish a recapitulation covering the post-war status of the several phases of the over-all lend-lease programs. The following tabulation reflects the position of the lend-lease liquidation program on December 31, 1954, subject to further accounting adjustments:

	Total Obligations	Payments & Credits	Balances Payable
<b>Lend-Lease:</b>			
Principal.....	\$1,577,458,847.50	\$387,752,792.28	\$1,189,706,055.22
Interest.....	157,265,283.45	139,366,479.88	17,898,803.57
	1,734,724,130.95	527,119,272.16	1,207,604,858.79
<b>Cash Accounts.....</b>	<b>1,333,764,146.66</b>	<b>1,300,744,426.44</b>	<b>33,019,720.22</b>
<b>Silver Loans <sup>1</sup>.....</b>	<b>291,401,009.67</b>	<b>185,837.03</b>	<b>291,215,172.64</b>
<b>Totals.....</b>	<b>3,359,889,287.28</b>	<b>1,828,049,535.63</b>	<b>1,531,839,751.65</b>

<sup>1</sup> See page 29 of *Thirty-third Report to Congress on Lend-Lease Operations*.

## STATEMENT (a)

## STATEMENT REFLECTING TOTAL PAYMENTS MADE BY LEND-LEASE COUNTRIES FROM JANUARY 1, 1954 THROUGH DECEMBER 31, 1954

During the calendar year 1954 collections and credits realized under Lend-Lease Settlement Agreements and Arrangements were as follows:

Country	U. S. Dollars	Foreign Currency	Real Property & Improvements
France.....	\$15,774,817.58		
Netherlands.....	2,433,093.89		\$69,386.42
Union of Soviet Socialist Republics.....	17,809,492.00		
United Kingdom and Colonies.....	16,940,491.19	\$500,000.00	
American Republics.....	5,053,582.44	850,449.24	
<b>Totals.....</b>	<b>48,011,477.10</b>	<b>1,450,449.24</b>	<b>69,386.42</b>

<b>Recapitulation:</b>		
United States Dollars.....		\$48,011,477.10
Foreign Currency.....		1,450,449.24
Real Property and Improvements.....		69,386.42
Other Credits.....		
<b>Total Collections and Credits.....</b>		<b>49,531,312.76</b>

<sup>1</sup> Partial payment on post-war "pipeline agreement" account only.

## STATEMENT (b)

## LEND-LEASE SETTLEMENT ACCOUNTS SHOWING TOTAL PRINCIPAL AMOUNT OWED TO THE UNITED STATES, AGGREGATE PAYMENTS MADE THROUGH DECEMBER 31, 1954, AND PRINCIPAL AMOUNT OUTSTANDING

Country	Settlement Obligation	Paid through December 31, 1954		Principal Balance to be paid
		Principal	Interest	
Australia.....	\$20,500,000.00	\$20,500,000.00		
Belgium and Belgian Congo.....	55,004,573.93	55,004,573.93		
China <sup>1</sup> .....	50,344,968.65	3,356,331.24	\$2,288,619.83	\$46,988,637.41
Czechoslovakia.....	172,961.45	172,961.45		
Ethiopia.....	200,000.00	118,601.34		81,398.66
France.....	353,300,000.00	35,894,332.21	55,202,938.11	317,405,667.79
Iran.....	8,541,040.75	7,829,287.39		711,753.36
Liberia <sup>2</sup> .....	19,422,682.39	150,000.00		19,272,682.39
Luxembourg.....	120.00	120.00		
Netherlands.....	67,500,000.00	26,413,352.70	7,432,472.79	41,086,647.30
Norway <sup>3</sup> .....	5,900,000.00			5,900,000.00
Turkey.....	4,500,000.00	4,500,000.00		
Union of South Africa.....	92,500,000.00	92,500,000.00		
Union of Soviet Socialist Republics <sup>1</sup> .....	222,492,666.01		31,047,019.00	222,492,666.01
United Kingdom & Colonies.....	562,446,911.00	38,035,219.11	43,322,968.35	524,411,691.89
Yugoslavia.....	900,000.00	639,365.20		260,634.80
American Republics.....	113,732,923.32	102,638,647.71	72,431.80	11,094,275.61
Totals.....	1,577,458,847.50	387,752,792.28	139,366,479.88	1,189,706,055.22
Grand Total Credits.....		\$527,119,272.16		

<sup>1</sup> Refers only to post-war "pipeline agreement".<sup>2</sup> Port construction at Monrovia.<sup>3</sup> Payable in kroner at U. S. option.

## STATEMENT (c)

## CUMULATIVE STATEMENT SHOWING, BY CATEGORIES, TOTAL PAYMENTS MADE BY LEND-LEASE COUNTRIES THROUGH DECEMBER 31, 1954

Country	U. S. Dollars	Foreign Currency	Real Property & Improvements	Other Credits
Australia.....	\$20,000,000.00		\$500,000.00	
Belgium and Belgian Congo.....				\$55,004,573.93
China.....	5,644,951.07			
Czechoslovakia.....		\$172,961.45		
Ethiopia.....			118,601.34	
France.....	73,566,014.91	16,818,130.49	713,124.92	
Iran.....	7,829,287.39			
Liberia.....	150,000.00			
Luxembourg.....	120.00			
Netherlands.....	13,782,267.85		576,060.07	19,487,497.57
Turkey.....	4,500,000.00			
Union of South Africa.....	92,500,000.00			
Union of Soviet Socialist Republics.....	31,047,019.00			
United Kingdom and Colonies.....	68,914,966.25	12,443,251.21		
Yugoslavia.....		16,300.00	623,065.20	
American Republics.....	94,582,652.68	5,128,426.83		3,000,000.00
Totals.....	412,517,279.15	34,579,069.98	2,530,851.53	77,492,071.50

## Recapitulation:

United States Dollars.....	\$412,517,279.15
Foreign Currency.....	34,579,069.98
Real Property and Improvements.....	2,530,851.53
Other Credits.....	77,492,071.50
Total Credits.....	527,119,272.16

## STATEMENT (d)

TOTAL U. S. DOLLAR PAYMENTS MADE BY LEND-LEASE COUNTRIES  
DURING CALENDAR YEAR 1954 ON CASH REIMBURSEMENT ACCOUNTS <sup>1</sup>

Australia.....	\$20, 598. 69
Belgium and Luxembourg.....	48, 916. 60
France.....	28, 021. 00
Italy.....	43, 190. 78
Liberia.....	17, 937. 27
Peru.....	71, 647. 84
Turkey.....	34, 087. 06
United Kingdom.....	84, 761. 05
<hr/>	
Total Collections during Calendar Year 1954.....	\$349, 160. 29

<sup>1</sup> Includes post-war monetary recoveries.



## STATEMENT (e)

CUMULATIVE STATEMENT REFLECTING THE INDEBTEDNESS OF LEND-LEASE GOVERNMENTS FOR MATERIALS  
FURNISHED ON CASH REIMBURSABLE REQUISITIONS<sup>1</sup> (AS OF DECEMBER 31, 1954)

	Total Obligation	Credits				Amounts Due Foreign Governments	Balance Due
		U. S. Dollars	Foreign Currency	Real Property & Improvements	Other Credits		
Australia.....	\$5,798,342.00	\$5,795,215.14					\$3,128.86
Belgium.....	26,749,473.46	26,682,896.63	\$66,576.83				0.00
Burma.....	440,223.82		440,223.82				0.00
Canada.....	388,757,601.09	388,757,601.09				\$3,584,435.73	20,213,406.45
China.....	27,046,128.79	10,417,153.07					0.00
Czechoslovakia.....	3,368.00	3,368.00					0.00
Denmark.....	4,099,107.95	4,099,107.95					0.00
Ethiopia.....	35,242.57	35,242.57					0.00
Finland.....	13.00	13.00					0.00
France.....	332,079,086.11	283,688,354.85	90,731.26		\$48,300,000.00		0.00
Greece.....	103,428.32	105,194.94				1,766.62	0.00
Greenland.....	8,351.28	8,351.28					0.00
Iceland.....	4,496,553.29	4,496,553.29					0.00
India.....	66,697,677.59	62,080,717.71			85,428.70		4,501,533.12
Iran.....	124,378.33	34,378.33					90,000.00
Iraq.....	54.00	54.00					0.00
Italy.....	80,632,256.78	80,632,256.78					0.00
Liberia.....	17,937.27	17,937.27					0.00
Middle East.....	50,377,450.28	11,126,680.72					15,996.40
Netherlands.....	34,497,543.10	20,665,528.01	30,234,823.16		7,510,755.09		0.00
New Zealand.....	602,556.96	602,556.96					0.00
Norway.....	9,962,290.00	9,962,556.99					0.00
Poland.....	1,415,510.98	1,371,931.69					250.00
Southern Rhodesia.....	240,689.98	240,689.98					43,579.29
Sweden.....	217.00	217.00					0.00
Thailand.....	3,322,960.28	3,322,960.28					0.00
Turkey.....	16,516,848.27	16,516,848.27					0.00
Union of South Africa.....	17,147,136.51	10,036,257.58					7,110,878.93
U. S. R.....	250,110,538.75	100,894,480.47	594,156.03		148,621,902.25		0.00
United Kingdom and Colonies.....	63,376.50	63,376.50					0.00
Yugoslavia.....	12,467,294.32	11,422,105.31	4,239.84				1,040,949.17
American Republics.....							
Totals.....	1,333,764,146.66	1,059,381,763.75	40,430,760.94		204,518,114.10	3,586,202.35	33,019,720.22

<sup>1</sup> Includes post-war monetary recoveries.

## CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS

At the end of 1954 a few countries still had not come to agreement for the settlement of their World War II lend-lease obligations to the United States. Progress was made in the negotiations with representatives of the Government of Poland and it is believed that a settlement agreement may be reached in the near future.

In the negotiations with the U. S. S. R. for the return to the Government of the United States of lend-lease naval craft, agreement was reached on procedures for the return of sixty-five of the craft.

Settlement negotiations continue with the following countries:

### BOLIVIA

Notwithstanding the fact that all payments obligations incurred by Bolivia under terms of the treaty Lend-Lease Agreement of December 6, 1941, were fulfilled several years ago, there still remains due to the Government of the United States an appreciable obligation arising out of post-war deliveries of articles designed for the repair and maintenance of military equipment furnished during World War II under the basic lend-lease program.

### CHINA

The National Government of the Republic of China again expressed an interest in a settlement of its financial obligations to the United States under various lend-lease and surplus property transactions. However, no concrete proposals were made and a counterproposal or offer in reply to the United States proposal made several years ago has yet to be received.

### ECUADOR

Although the payments of amounts due under the basic Lend-Lease Agreement of April 6, 1942, were completed several years ago, the Government of Ecuador remains obligated to the United States for the value of equipment supplied on a postwar basis to facilitate the upkeep of military equipment made available during World War II under the lend-lease program. The Department of State believes that a mutually agreeable settlement formula may be reached with Ecuador in the near future.

## POLAND

In June 1954 the Polish Ambassador informed the Department of State that he was in a position to enter into negotiations for a final settlement of Poland's lend-lease account. Shortly thereafter, the Ambassador called at the Department of State for a more detailed discussion of the matter, at which time he was handed a draft of a proposed settlement agreement.

Another discussion and exchange of views took place in November 1954, and the course of events was such that at the close of the period covered by this report, December 31, 1954, there was prospect of an early settlement of this account with the Polish Government.

## U. S. S. R.

In the *Thirty-fifth Report to Congress on Lend-Lease Operations*, it was reported that discussions between representatives of the Government of the United States and the U. S. S. R. had begun on December 28, 1953, with the objective of working out arrangements and details for the return of 186 of the naval craft which had been lend-leased to the U. S. S. R. The United States had been pressing for the return of these naval craft since September 1948. However, it was not until October 1953 that the Soviet Government agreed to discuss procedures for the return of these craft.

Throughout 1954 this question has been under negotiation in a series of across-the-table discussions. These discussions resulted in the signing of an agreement on March 26, 1954, providing for the return of 38 of the craft at the port of Istanbul, Turkey, during the months of May and June of 1954 (*Exhibit A*).<sup>1</sup> These craft were returned on schedule as called for in the agreement.

Another agreement was reached on December 22, 1954, on the procedures for the return of 27 more of the craft at the port of Maizuru, Japan, during June and July 1955 (*Exhibit B*).<sup>2</sup> Negotiations for the return of the remaining 121 craft will continue.

## EXHIBIT A

## DEPARTMENT OF STATE FOR THE PRESS

March 26, 1954

No. 163

Agreement was reached today with representatives of the Soviet Government on the dates and procedures for return to United States control of 38 small naval craft loaned to the Soviet Union under the

<sup>1</sup> State Department press release No. 163, March 26, 1954.

<sup>2</sup> State Department press release No. 729, December 23, 1954.

World War II lend-lease program. The 38 craft, consisting of 12 motor torpedo boats and 26 submarine chasers, are to be returned at the port of Istanbul during the months of May and June 1954.

These craft are part of a group of 186 naval craft, the return of which the United States first requested on September 3, 1948. The Soviet Government agreed to return the 186 craft on October 20, 1953 and on December 28, 1953 representatives of the two Governments began to work out the necessary details for the return of the craft.

Discussions are continuing on the ports, dates and procedures for the return of the other 148 naval craft.

\* \* \* \* \*

## EXHIBIT B

### DEPARTMENT OF STATE FOR THE PRESS

December 23, 1954

No. 729

The Soviet Government has agreed on the dates and procedures for the return to United States control of 27 small naval craft loaned to the Soviet Union under lend-lease during World War II. The 27 craft, consisting of 4 submarine chasers, 8 motor torpedo boats and 15 landing craft (infantry) are to be turned over to United States Navy representatives at the port of Maizuru, Japan during the months of June and July 1955.

These craft are part of a group of 186 naval craft, the return of which the United States first requested on September 3, 1948. The Soviet Government agreed to return the 186 craft on October 20, 1953 and on December 28, 1953 representatives of the two Governments began to work out the necessary details for the return of the craft. In May and June, 38 naval craft, consisting of 12 motor torpedo boats and 26 submarine chasers, were returned to United States Navy control at the port of Istanbul, Turkey.

Discussions are continuing on the ports, dates and procedures for the return of the other 121 naval craft.

\* \* \* \* \*

## CONCLUSION

Revised to reflect changes and adjustments which were made during the year covered by this report, there are presented in the following pages as Appendixes I (a), I (b) and I (c) a set of statements prepared by the Treasury Department and summarizing, under specific category designations, the dollar values of defense aid furnished to each country and, also, the amounts expended independently by the Government of the United States for special lend-lease purposes not chargeable to a foreign government.

The data in the statement entitled "*Lend-Lease Appropriations and Authorizations*" as last published in "*The Thirty-fifth Report to Congress on Lend-Lease Operations*" remains unchanged and is not reprinted herein.

The customary "*Status of Nations*" tabulation, including changes and additions made during the year, appears as Appendix II and the Lend-Lease Act of March 11, 1941, with pertinent amendments, constitutes Appendix III of this report.

These and other substantive articles and statistical data which appeared in previous reports are listed below according to the report number and the page thereof where each was most recently published:

Subject	Lend-Lease report <sup>1</sup>	Page
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<sup>1</sup> The Office of Lend-Lease Administration was established by Executive Order 8926, October 28, 1941, succeeding Division of Defense Aid Reports established by Executive Order 8751, May 2, 1941; consolidated into Foreign Economic Administration by Executive Order 9380, September 25, 1943. Executive Order 9630, September 27, 1945, terminated FEA and transferred to Department of State, in Part I, par. 2, all lend-lease functions exercised by FEA and its agencies. Lend-lease fiscal responsibilities were transferred to Treasury Department by Executive Order 9726, May 17, 1946.

<sup>2</sup> This table entitled "Status of Nations" appeared in earlier issues of the *Report to Congress on Lend-Lease Operations*; it furnished dates of the signing of reciprocal aid agreements, where agreements of that type were made, and the date on which the various governments signed the *Declaration by United Nations of 1942* (not to be confused with the *Charter of the United Nations* which was signed in San Francisco in 1945).

<sup>3</sup> The reports in which some of the lend-lease agreements have appeared may be ascertained by referral to the Status of Nations tabulation published as Appendix II in this report.

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## **APPENDIXES**

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## APPENDIX I

### LEND-LEASE FISCAL OPERATIONS

The responsibility for the preparation of official reports of a fiscal character relating to lend-lease operations was transferred from the Office of the Lend-Lease Administrator to the Treasury Department by Executive Order No. 9726 of May 17, 1946. Since that date a series of lend-lease fiscal statements, made up from Treasury Department reports, have been published in the Reports to Congress on Lend-Lease Operations.

Appendixes I (a), I (b) and I (c) conform to the records of the Treasury Department at the close of business, December 31, 1954.



## APPENDIX I (a)

*Summary statement of defense aid provided—cumulative through Dec. 31, 1954*

SOURCE OF FUNDS	
From appropriations to:	
Lend-Lease Administration appropriation-----	\$25, 131, 436, 735. 49
Less: Obligations in excess of reports of defense aid provided-----	26, 975, 638. 86
	<hr/>
Department of the Army appropriations-----	\$25, 104, 461, 096. 63
Department of the Navy appropriations-----	19, 527, 175, 620. 28
Maritime (W. S. A.) appropriations-----	4, 757, 623, 070. 76
From foreign government funds-----	620, 647, 410. 38
Less: Obligations in excess of reports of defense aid provided-----	221, 503, 783. 49
From reissues of returned lend-lease articles-----	<sup>1</sup> 221, 503, 783. 49
	1, 042, 394. 71
Total-----	<hr/>
	\$50, 232, 453, 376. 25
	<hr/>
DEFENSE AID PROVIDED	
Charged to foreign governments:	
Materials-----	46, 970, 607, 576. 02
Services and other expenses-----	1, 250, 383, 971. 84
Aids furnished through commanding generals-----	680, 351, 211. 72
	<hr/>
Not charged to foreign governments:	
Construction in U. S. to facilitate lend-lease-----	720, 803, 118. 11
Administrative expenses-----	37, 265, 533. 63
Losses on inventories and facilities-----	55, 303, 321. 62
Miscellaneous charges-----	517, 738, 643. 31
	<hr/>
Total aid provided-----	1, 331, 110, 616. 67
	<hr/>
	50, 232, 453, 376. 25
	<hr/>

<sup>1</sup> In addition, the foreign governments have paid approximately \$950 million to the United States for lend-lease items purchased out of U. S. Government funds. This money has been or will be reappropriated or deposited to the General Fund of the Treasury.









## APPENDIX II

## APPENDIX II

### STATUS OF NATIONS

The tabulation entitled "Status of Nations" as presented in the following pages reflects the progress made up to the close of the reporting period in the settlement of lend-lease, reciprocal aid, and other related accounts arising out of World War II defense aid programs. Included are citations of all such lend-lease settlements and other related agreements which had been concluded by December 31, 1954.

It should be noted that many of the agreements have been printed in the publications identified in the tabulation.

NOTE.—*Treaties and Other International Acts Series* (TIAS) has replaced the Department of State publications *Treaty Series* (TS) and *Executive Agreement Series* (EAS). The texts printed in the present series, as in the *Treaty Series* and *Executive Agreement Series*, are authentic and, in appropriate cases, are certified by the Department of State. The *Treaties and Other International Acts Series* begins with number 1501, the last number of the *Treaty Series* being 994 and of the *Executive Agreement Series* being 506. The compilation of annual volumes entitled *United States Treaties and Other International Agreements* (cited as UST) is the successor to the *United States Statutes at Large* so far as concerns the texts of treaties and agreements which have been entered into force beginning with the year 1950.

## STATUS OF NATIONS

## KEY TO ABBREVIATIONS

L-L Rpt.—Report to Congress on Lend-Lease Operations.  
 TIAS—Treaties and Other International Acts Series (published by Department of State).  
 EAS—Executive Agreement Series (published by Department of State).  
 UST—United States Treaties and Other International Agreements (published by Department of State).  
 Stat.—United States Statutes at Large.

*Lend-lease and related agreements*

[As of Dec. 31, 1944]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt., p. 24; EAS 271; 66 Stat. 1608.	June 7, 1946	23d L-L Rpt., p. 80; TIAS 1628; 66 Stat. 1707.	Mar. 8, 1946	Marine Transportation and Litigation, EAS 467; 66 Stat. 1499.
Belgium.....	June 13, 1941	June 16, 1942		Sept. 24, 1946 Apr. 20, 1950	23d L-L Rpt., p. 61; TIAS 2044; 62 Stat. (3) 3984, under Joint undertaking of Sept. 24, 1946; TIAS 2074; 1 UST 437. Exchange of notes amending par. 2.A (1) of Agreement of Sept. 24, 1946; TIAS 2563.	Jan. 30, 1943 Aug. 4, 1943 Apr. 19, 1945 May 19, 1945	Rediprocal Aid, EAS 313; 57 Stat. 920. Acts of United States Armed Forces in Belgian Congo, EAS 396; 68 Stat. 1216. Rediprocal Aid, EAS 481; 59 Stat. 1642. Section 3 (c) Agreement <sup>4</sup> , 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941		Nov. 22, 1947	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Dec. 6, 1941. (Final payment made and reported in 32d L-L Rpt., p. 2.)		
Brazil.....	do	Oct. 1, 1941 Mar. 3, 1942	(Revised)	Apr. 15, 1948	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 3, 1942. (Final payment made and reported in 36th L-L Rpt., p. 3.)	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1797. (Incorporated in Settlement Arrangement of Apr. 15, 1948.)

See footnotes at end of table, p. 26.



STATUS OF NATIONS—Continued  
*Lend-lease and related agreements—Continued*

[As of Dec. 31, 1954]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Brazil—Continued	May 6, 1941	Mar. 3, 1942	-----	Apr. 19, 1950	Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to Lend-Lease Agreement of Mar. 3, 1942. (Final payment made and reported in 38th L-L Rpt., p. 2.)	Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947.
Burma						May 26, 1943	Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
Canada	Nov. 11, 1941	Nov. 30, 1942	By exchange of notes, accepted principles of art. VII of United Kingdom Lend-Lease Agreement.	Mar. 14, 1949	Exchange of notes (for cash purchases); 28th L-L Rpt., p. 13; TIAS 1925; 63 Stat. (3) 2432.	Nov. 11, 1943	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301.
Chile	May 6, 1941	Mar. 2, 1943	-----	Feb. 23, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 2, 1943. (Final payment made and reported in 32d L-L Rpt., p. 2.)	Nov. 15, 1946	Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1582; 61 Stat. (3) 2520.
China	do	June 2, 1942	6th L-L Rpt., p. 306; EAS 261; 66 Stat. 1494.			May 21, 1943	Acts of Armed Forces, EAS 360; 57 Stat. 1428.
						June 14, 1946	Pipeline Agreement, 23d L-L Rpt., p. 66; TIAS 1533; 60 Stat. 1760.
						June 23, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. (4) 3896.

## STATUS OF NATIONS—Continued

## Lend-lease and related agreements—Continued

[As of Dec. 31, 1955]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Costa Rica.....	May 6, 1941	Jan. 16, 1942	-----	Oct. 18, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Jan. 16, 1942. (Final payment made and reported in 35th L-L Rpt., p. 2.)		
Cuba.....	May 6, 1941	Nov. 7, 1941	-----	Apr. 26, 1951	Final payment under Lend-Lease Agreement of Nov. 7, 1941; reported in 33d L-L Rpt., p. 3.		
Czechoslovakia.....	Jan. 5, 1942	July 11, 1942	EAS 261; 56 Stat. 1562	July 25, 1947 Sept. 16, 1948	TIAS 1676; 61 Stat. (4) 3410 28th L-L Rpt., p. 3; TIAS 1818; 63 Stat. (3) 2859		
Dominican Republic	May 6, 1941	Aug. 2, 1941 Aug. 6, 1941	----- (Supplement)	Apr. 26, 1949	Final payment under Lend-Lease Agreement of Aug. 2, 1941; reported in 29th L-L Rpt., p. 1.		
Ecuador.....	do.....	Apr. 6, 1942	-----	Feb. 12, 1951	Final payment under Lend-Lease Agreement of Apr. 6, 1942; reported in 32d L-L Rpt., p. 3.		
Egypt.....	Nov. 11, 1941 May 6, 1941	Feb. 2, 1942	-----	May 26, 1950	Cash purchases only. Final payment under Lend-Lease Agreement of Feb. 2, 1942; reported in 32d L-L Rpt., p. 3.		
El Salvador.....	Dec. 7, 1942	Aug. 9, 1943	EAS 334; 57 Stat. 1043	May 20, 1949	28th L-L Rpt., p. 26; TIAS 1931; 63 Stat. (3) 2446.	May 22, 1953	Exchange of Notes providing for Utilization of Defense Installations in Entrea: TIAS 2904.
Ethiopia.....	Nov. 11, 1941	Feb. 23, 1945	EAS 455; 59 Stat. 1304	May 26, 1946 Mar. 14, 1949	23d L-L Rpt., p. 41; TIAS 1928; 61 Stat. (4) 4175. Financial Settlement; 28th L-L Rpt., p. 4; TIAS 1936; 63 Stat. (3) 2507.	Sept. 3, 1942 Sept. 25, 1943	Reciprocal Aid, 6th L-L Rpt., p. 26; EAS 273; 56 Stat. 1614. Reciprocal Aid in French North and West Africa, 13th L-L Rpt., p. 66; EAS 483; 59 Stat. 1696.

**STATUS OF NATIONS—Continued**  
*Lend-lease and related agreements—Continued*  
 [As of Dec. 31, 1964]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Haiti.....	May 6, 1941	Sept. 16, 1941	-----	Mar. 3, 1948	Final payment under Lend-Lease Agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. vi.		
Honduras.....	.....do.....	Feb. 28, 1942	-----	Feb. 10, 1949	Final payment under Lend-Lease Agreement of Feb. 28, 1942; reported in 28th L-L Rpt., p. i.		
Iceland.....	July 1, 1941	Nov. 21, 1941	EAS 429; 58 Stat. 1455	May 16, 1946	Cash purchases only. 23d L-L Rpt., p. 44; TIAS 1537; 60 Stat. 1763.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 392; 58 Stat. 1199.
India.....	Nov. 11, 1941	-----	-----	-----	-----	Dec. 21, 1945	Transfer on Credit; unpublished correspondence.
Iran.....	Mar. 10, 1942	-----	-----	-----	Cash purchases only.		
Iraq.....	May 1, 1942	July 31, 1945	EAS 470; 59 Stat. 1535	-----	Other cash transactions only.		
Liberia.....	Mar. 10, 1942	Mar. 31, 1942	EAS 275; 56 Stat. 1621	-----	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 18, 1943.	Dec. 31, 1943	Port Project Agreement, EAS 411; 58 Stat. 1357.
Mexico.....	May 6, 1941	June 8, 1943	EAS 324; 57 Stat. 978	Feb. 24, 1951	24th L-L Rpt., p. 22; TIAS 1750; 61 Stat. (4) 3924.		
		Mar. 27, 1942	(Revised)	May 28, 1947	-----	June 14, 1943	Reciprocal Aid, EAS 326; 57 Stat. 991.
		Mar. 18, 1943	-----	-----	-----	Apr. 30, 1945	Section 3 (c) Agreement, Reciprocal Aid, EAS 480; 59 Stat. 1627.
Netherlands.....	Aug. 21, 1941	July 8, 1942	EAS 259; 56 Stat. 1554	-----	-----	June 8, 1950	Maritime Claims, TIAS 2119; 1 UST 638.
		-----	-----	-----	-----	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 27, EAS 272; 56 Stat. 1611.
New Zealand.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement, EAS 272; 56 Stat. 1611.	July 10, 1946	23d L-L Rpt., p. 56; TIAS 1536; 60 Stat. 1791.		
Nicaragua.....	May 6, 1941	Oct. 16, 1941	-----	Sept. 26, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Oct. 16, 1941.		
		-----	-----	-----	Final payment made and reported in 36th L-L Rpt., p. 4.		
Norway.....	June 4, 1941	July 11, 1942	EAS 262; 56 Stat. 1555	Feb. 24, 1948	26th L-L Rpt., p. 61; TIAS 1716; 62 Stat. (2) 1948.	May 20, 1945	Marine Transportation and Litigation, EAS 471; 59 Stat. 1541.



**STATUS OF NATIONS—Continued**  
*Lend-lease and related agreements—Continued*  
 [As of Dec. 31, 1954]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
United Kingdom.....	Mar. 11, 1941	Feb. 23, 1942	4th L-L Rpt., p. 50, and 21st L-L Rpt., p. 62; EAS 241; 56 Stat. 1433.	Apr. 28, 1952	Extension of Amendment of Settlement of Dec. 6, 1945; TIAS 2662.	June 27, 1947	Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014.
United Nations.....		Jan. 1, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 236; 56 Stat. 1600.		Cash purchases only.		
Uruguay.....	May 6, 1941	Jan. 13, 1942			Prepaid in dollars.		
Venezuela.....	May 6, 1941	Mar. 18, 1942		Apr. 27, 1949	Final payment under Lend-Lease Agreement of Mar. 18, 1942; reported in 26th L-L Rpt., p. 2.		
Yugoslavia.....	Nov. 11, 1941	July 24, 1942	EAS 263; 56 Stat. 1570....	July 19, 1948	27th L-L Rpt., p. 64; TIAS 1779; 62 Stat. (2) 2133.		

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility, for defense aid furnished, was accepted by each beneficiary nation. The aggregate amount due has been paid in full in cash and/or through specially negotiated settlement arrangements.

<sup>2</sup> The Declaration by United Nations for a cooperative war effort was signed by 26 nations on Jan. 1, 1942. The other nations here listed, except Iceland, signed on later dates. See the Twenty-first Report to Congress on Lend-Lease Operations, pp. 44-46. Pursuant to that Declaration, the signatory nations subscribed to the Atlantic Charter of Aug. 14, 1941, (the Joint Declaration of the President of the United States and the Prime Minister of the United Kingdom).

A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946. Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>3</sup> Wind-up of residual accounts and claims.

#### ADDENDUM

Aid was furnished, under special circumstances and specific conditions, to certain countries which never had formally been declared eligible for formal lend-lease treatment. These are Burma (see above table), Denmark, Finland, Greenland, Italy, Panama, Sweden, and Thailand.

Transfers to Denmark were made pursuant to arrangements described in the Twenty-first Report to Congress on Lend-Lease Operations, and those made to Italy were pursuant to arrangements described in the Twenty-third Report to Congress on Lend-Lease Operations. In respect to the others named, a *modus operandi*, very similar to that used for lend-lease cash-reimbursement transactions but not under the Lend-Lease Act, was used to help these governments to acquire approved essential goods and services.

## APPENDIX III

### THE "LEND-LEASE" ACT

**NOTE.**—There are reprinted herein for purposes of convenience most of the principal laws and documents relating to lend-lease. Nearly all of these have been included in previous reports, many of which are now out of print. The text of the Act of March 11, 1941, appears below in the form in which it was originally passed.

#### PUBLIC LAW 11

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 11, 1941*

AN ACT Further to promote the defense of the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as "An Act to Promote the Defense of the United States."

#### SECTION 2

As used in this Act—

(a) The term "defense article" means—

(1) Any weapon, munition, aircraft, vessel, or boat;

(2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;

(3) Any component material or part of or equipment for any article described in this subsection;

(4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection: manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

#### SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropri-

ated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of conveying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

#### SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

#### SECTION 5

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information

for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

## SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

## SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

## SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

## SECTION 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

## SECTION 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 27, 1941*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved October 28, 1941*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles,



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information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000.

#### PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved March 5, 1942*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

#### PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved October 26, 1942*

#### TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States," approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 301 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation act for the same purpose, shall be deemed to include the authority to procure, dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

#### PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

*Approved March 11, 1943*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947."

## PUBLIC LAW 304

SEVENTY-EIGHTH CONGRESS, SECOND SESSION

*Approved May 17, 1944*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however,* That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

## PUBLIC LAW 31

SEVENTY-NINTH CONGRESS, FIRST SESSION

*Approved April 16, 1945*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949."

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier," inserting a semicolon, and the following new language: "*Provided, however,* That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction."

## PUBLIC LAW 521

SEVENTY-NINTH CONGRESS

*Approved July 23, 1946**Title I. General Appropriations*

## DEFENSE AID—LEND-LEASE

\* \* \* \* \*

Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and other Acts mentioned in said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided*, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

\* \* \* \* \*

SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946."

## PUBLIC LAW 271

EIGHTIETH CONGRESS

*Approved July 30, 1947*

AN ACT Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided*, That the foregoing amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of only Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

\* \* \* \* \*

PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

*Approved May 10, 1948*

## GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

## PUBLIC LAW 785

EIGHTIETH CONGRESS, SECOND SESSION

*Approved June 25, 1948*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiency appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

Administrative expenses: For the liquidation by the Treasury Department in the fiscal year 1949 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, \$250,000.

Obligations: Not to exceed \$25,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1949, for liquidation of obligations incurred under said Act prior to June 30, 1946, and for payment of claims, approved prior to June 30, 1949, under a patent interchange agreement executed pursuant to said Act.

## PUBLIC LAW 343

EIGHTY-FIRST CONGRESS

*Approved October 10, 1949*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1949, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

Administrative expenses: For the liquidation by the Treasury Department in the fiscal year 1950 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, including personal services in the District of Columbia, \$100,000.

Obligations: Not to exceed \$1,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1950, for payment of claims, received prior to December 31, 1949, under a patent interchange agreement executed pursuant to said Act.

## ADDENDUM

### AUTHORITY FOR LEASING VESSELS UNDER LEND-LEASE PROGRAMS

The United States Charter Party Agreements with other lend-lease countries with which Navy lend-lease vessels operated are based on the authority in Public Law 1 of the 78th Congress and the Lend-Lease Act of March 11, 1941. The pertinent portion reads:

#### PUBLIC LAW 1

#### SEVENTY-EIGHTH CONGRESS

*Approved February 19, 1943*

SEC. 4. Hereafter any ship, boat, barge, or floating drydock of the Navy may be leased in accordance with the Act approved March 11, 1941 (55 Stat. 31), but not otherwise disposed of, for periods not beyond the termination of the present wars, but title thereto shall remain in the United States.



# THIRTY-SEVENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTY-SEVENTH REPORT TO CONGRESS  
ON LEND-LEASE OPERATIONS FOR THE YEAR  
ENDING DECEMBER 31, 1955

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Payments and Settlements  
General Statements of Account  
Current Settlement Negotiations

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Lend-Lease Fiscal Operations  
Status of Nations  
Lend-Lease Act

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1956

**Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of  
March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))**

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## PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *July 18, 1956.*

*To the Congress of the United States:*

I transmit herewith the Thirty-seventh Report to Congress on Lend-Lease Operations for the calendar year of 1955.

During the year under review, collections and credits on lend-lease accounts amounted to approximately \$47 million.

No further settlement agreements were completed during 1955, but notable progress was made toward reaching agreement with Poland for the settlement of its lend-lease indebtedness. Also, continuous efforts were made to reach agreement with Ecuador on settlement terms for certain over-due "cash reimbursement" postwar lend-lease obligations to the United States.

Most other countries made scheduled payments on account.

These and other matters of interest to the Congress and the public are covered more fully in the report.



DWIGHT D. EISENHOWER

(Enclosure: Thirty-seventh Report to Congress on Lend-Lease Operations.)

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1781. 1782. 1783. 1784. 1785. 1786. 1787. 1788. 1789.

1790. 1791. 1792. 1793. 1794. 1795. 1796. 1797. 1798. 1799. 1800.

1801. 1802. 1803. 1804. 1805. 1806. 1807. 1808. 1809. 1810. 1811.

1812. 1813. 1814. 1815. 1816. 1817. 1818. 1819. 1820. 1821. 1822.

1823. 1824. 1825. 1826. 1827. 1828. 1829. 1830. 1831. 1832. 1833.

1834. 1835. 1836. 1837. 1838. 1839. 1840. 1841. 1842. 1843. 1844.

1845. 1846. 1847. 1848. 1849. 1850. 1851. 1852. 1853. 1854. 1855.

1856. 1857. 1858. 1859. 1860. 1861. 1862. 1863. 1864. 1865. 1866.

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# **THIRTY-SEVENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS**

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## **PREAMBLE**

At the close of business on December 31, 1955, settlement undertakings which had been signed by most of the lend-lease governments reflected an aggregate original creditor position of the United States of \$1,577,458,847.50 in principal account, exclusive of "cash reimbursement" lend-lease, silver, and miscellaneous other obligations.

Principal payments and credits already made total \$409,730,250.58 or approximately 26 percent of these repayment obligations. In addition, \$164,552,611.70 has been paid to the Government of the United States as interest on these debts. The combined principal and interest credits of \$574,282,862.28 represent more than 36 percent of the principal amount of these settlement obligations.

As yet, settlement agreements covering lend-lease furnished prior to V-J Day have not been reached with the U.S.S.R., China, Greece, and Saudi Arabia. A settlement with Poland is nearly completed.

Detailed statements furnished by the Treasury Department to the Department of State are presented under the part of this report captioned "General Statements of Account."

## PAYMENTS AND SETTLEMENTS<sup>1</sup>

During 1955 payments and credits against the principal balances under settlement agreements, inclusive of interest, amounted to \$47,289,714.00, of which dollar credits totaled \$43,525,370.91 and foreign currency credits were \$2,000,227.37. The remainder was made up of other credits resulting from sundry sources, such as real property and improvements, the settlement of claims, war production royalties, and other transactions stemming from lend-lease. In addition, collections made during the year on "cash reimbursement" lend-lease accounts came to \$38,829.46.

No new settlement agreements were consummated during 1955. A final settlement of its lend-lease obligations was under negotiation with Poland, but, although well advanced, formal signing had not taken place at the close of the year.

The Government of the Netherlands has returned a total of 23,168,588.63 fine ounces of lend-lease silver, and further deliveries are to be made.

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<sup>1</sup> The basic authority to effect lend-lease settlements derives from section 3 (b) of the Act of March 11, 1941, and was delegated to the Secretary of State by Executive Order 9630, September 27, 1945.

## GENERAL STATEMENTS OF ACCOUNT

### *Status of Lend-Lease Accounts*

Statements reporting fiscal data for those accounts in various stages of liquidation have been brought up to the close of business on December 31, 1955. Of the following tabulations, Statement (a) reflects total payments made by lend-lease countries under their agreements during 1955; Statement (b) is composed of cumulative figures indicating, by country, the original obligation, the dollar equivalent of principal and interest payments, and the amounts remaining to be paid on balances due under the agreements; and Statement (c), also a cumulative report, shows, by categories, aggregate amounts of principal and interest which have been paid, or credited, to the several lend-lease countries' accounts through December 31, 1955.

Of interest is the fact that of the amount of \$1,167,728,596.92, which is the unpaid balance due to the United States under the present agreements, only a little over \$16 million was, on December 31, 1955, carried as past due. Including past-due interest, the aggregate amount of delinquent obligations was approximately \$26½ million and was almost entirely reflected in the lend-lease "pipeline" accounts of the Governments of China and the U.S.S.R.

### *Status of "Cash Reimbursement" Accounts*

Statement (d), prepared by the Treasury Department, is a cumulative statement reflecting the status of the indebtedness of various foreign governments for materials which had been furnished by the United States on a cash reimbursement basis during the war and early postwar periods. Accounting adjustments made during the reconciliation process are included in these data which are brought up to the close of 1955.

### *Lend-Lease Silver Accounts*

In the *Thirty-third Report to Congress on Lend-Lease Operations* a review was made of the background and the then current status of a group of World War II accounts resulting from loans made to seven lend-lease countries in the form of silver bullion and specially minted silver coins.

Under the terms of the respective silver agreements, no returns are mandatory before the due date on April 27, 1957. However, the Government of Belgium, in 1947, returned all the silver that had been

# 4 37TH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

loaned to it. The Government of the Netherlands has made deliveries of 23,168,588.63 fine ounces of silver on account. Statement (e) shows the status of these silver accounts at the close of the calendar year 1955.

## Summary

Continuing the effort made in the *Thirty-sixth Report to Congress on Lend-Lease Operations* to provide, in condensed form, a recapitulation of the principal phases of the World War II defense aid programs, there is indicated below the progress that has been made toward the liquidation of lend-lease program obligations through 1955:

|                                 | Total obligations  | Payments and credits | Balances payable   |
|---------------------------------|--------------------|----------------------|--------------------|
| Lend-Lease:                     |                    |                      |                    |
| Principal.....                  | \$1,577,458,847.50 | \$409,730,250.58     | \$1,167,728,596.92 |
| Interest.....                   | 181,102,020.27     | 164,552,611.70       | 16,549,408.57      |
| Cash accounts.....              | 1,758,560,867.77   | 574,282,862.28       | 1,184,278,005.49   |
| Silver loans <sup>1</sup> ..... | 1,333,802,379.72   | 1,300,783,255.90     | 33,019,123.82      |
|                                 | 291,401,006.67     | 16,661,277.83        | 274,739,731.84     |
| Totals.....                     | 3,383,764,257.16   | 1,891,727,396.01     | 1,492,036,861.15   |

<sup>1</sup> Although the silver is to be returned in kind, the Treasury Department, for bookkeeping purposes, maintains its records in terms of dollars as well as in fine troy ounces.

## STATEMENT (a)

### STATEMENT REFLECTING TOTAL PAYMENTS MADE BY LEND-LEASE COUNTRIES FROM JANUARY 1, 1955 THROUGH DECEMBER 31, 1955

During the calendar year 1955 collections and credits realized under Lend-Lease Settlement Agreements and Arrangements were as follows:

| Country  | U.S. dollars    | Foreign currency | Real property and improvements | Other credits  |
|--|-----------------|------------------|--------------------------------|----------------|
| Ethiopia.....  |                 |                  | \$3,730.22                     |                |
| France.....  | \$15,669,127.18 | \$455,317.37     |                                | \$1,760,385.50 |
| Netherlands.....                                       | 2,402,471.56    |                  |                                |                |
| Norway.....  |                 | 549,910.00       |                                |                |
| Union of Soviet Socialist Republics <sup>1</sup> ..... | 7,692,775.96    |                  |                                |                |
| United Kingdom and Colonies.....                       | 17,326,720.60   | 245,000.00       |                                |                |
| American Republics.....                                | 444,275.61      | 750,000.00       |                                |                |
| Totals.....  | 43,525,370.91   | 2,000,227.37     | 3,730.22                       | 1,760,385.50   |

|                                     |  |  |  |                 |
|-------------------------------------|--|--|--|-----------------|
| Recapitulation:                     |  |  |  |                 |
| United States dollars.....          |  |  |  | \$43,525,370.91 |
| Foreign currency.....               |  |  |  | 2,000,227.37    |
| Real property and improvements..... |  |  |  | 3,730.22        |
| Other credits.....                  |  |  |  | 1,760,385.50    |
| Total collections and credits.....  |  |  |  | 47,289,714.00   |

<sup>1</sup> Partial payment on post V-J Day lend-lease account only.

## STATEMENT (b)

## LEND-LEASE SETTLEMENT ACCOUNTS SHOWING TOTAL PRINCIPAL AMOUNT OWED TO THE UNITED STATES, AGGREGATE PAYMENTS MADE THROUGH DECEMBER 31, 1955, AND PRINCIPAL AMOUNT OUTSTANDING

| Country                                  | Settlement obligation | Paid through December 31, 1955 |                | Principal balance to be paid |
|--|-----------------------|--------------------------------|----------------|------------------------------|
|  |                       | Principal                      | Interest       |                              |
| Australia.....                           | \$20,500,000.00       | \$20,500,000.00                | -----          | -----                        |
| Belgium and Belgian Congo.....           | 55,004,573.93         | 55,004,573.93                  | -----          | -----                        |
| China.....                               | 50,344,968.65         | 3,356,331.24                   | \$2,288,619.88 | \$46,988,637.41              |
| Czechoslovakia.....                      | 172,961.45            | 172,961.45                     | -----          | -----                        |
| Ethiopia.....                            | 200,000.00            | 122,331.56                     | -----          | 77,668.44                    |
| France.....                              | 353,300,000.00        | 47,461,197.39                  | 61,384,530.18  | 305,838,802.61               |
| Iran.....                                | 8,541,040.75          | 7,829,287.39                   | -----          | 711,753.36                   |
| Liberia.....                             | 19,422,682.39         | 150,000.00                     | -----          | 19,272,682.39                |
| Luxembourg.....                          | 120.00                | 120.00                         | -----          | -----                        |
| Netherlands.....                         | 67,500,000.00         | 27,992,543.23                  | 8,256,002.79   | 39,507,456.77                |
| Norway.....                              | 5,900,000.00          | 549,910.00                     | -----          | 5,350,090.00                 |
| Turkey.....                              | 4,500,000.00          | 4,500,000.00                   | -----          | -----                        |
| Union of South Africa.....               | 92,500,000.00         | 92,500,000.00                  | -----          | -----                        |
| Union of Soviet Socialist Republics..... | 222,492,666.01        | -----                          | 38,739,794.96  | 222,492,666.01               |
| United Kingdom and Colonies.....         | 562,446,911.00        | 45,118,705.87                  | 53,811,232.19  | 517,328,205.13               |
| Yugoslavia.....                          | 900,000.00            | 639,365.20                     | -----          | 260,634.80                   |
| American Republics.....                  | 113,732,923.32        | 103,832,923.32                 | 72,431.80      | 9,900,000.00                 |
| Totals.....                              | 1,577,458,847.50      | 409,730,250.58                 | 164,552,611.70 | \$ 1,167,728,596.92          |
| Grand total credits.....                 | -----                 | \$574,282,862.28               | -----          | -----                        |

1 Refers only to postwar "pipeline agreement."

2 Port construction at Monrovia.

3 Exclusive of cash reimbursement and silver accounts.

## STATEMENT (c)

## CUMULATIVE STATEMENT SHOWING, BY CATEGORIES, AGGREGATE PAYMENTS (PRINCIPAL AND INTEREST) MADE BY LEND-LEASE COUNTRIES THROUGH DECEMBER 31, 1955

| Country                                  | U. S. dollars   | Foreign currency | Real property and improvements | Other credits   |
|--|-----------------|------------------|--------------------------------|-----------------|
| Australia.....                           | \$20,000,000.00 | -----            | \$500,000.00                   | -----           |
| Belgium and Belgian Congo.....           | -----           | -----            | -----                          | \$55,004,573.93 |
| China.....                               | 5,644,951.07    | -----            | -----                          | -----           |
| Czechoslovakia.....                      | -----           | \$172,961.45     | -----                          | -----           |
| Ethiopia.....                            | -----           | -----            | 122,331.56                     | -----           |
| France.....                              | 81,982,913.46   | 24,389,303.64    | 713,124.92                     | 1,760,385.50    |
| Iran.....                                | 7,829,287.39    | -----            | -----                          | -----           |
| Liberia.....                             | 150,000.00      | -----            | -----                          | -----           |
| Luxembourg.....                          | 120.00          | -----            | -----                          | -----           |
| Netherlands.....                         | 16,184,988.38   | -----            | 576,060.07                     | 19,487,497.57   |
| Norway.....                              | -----           | 549,910.00       | -----                          | -----           |
| Turkey.....                              | 4,500,000.00    | -----            | -----                          | -----           |
| Union of South Africa.....               | 92,500,000.00   | -----            | -----                          | -----           |
| Union of Soviet Socialist Republics..... | 38,739,794.96   | -----            | -----                          | -----           |
| United Kingdom and Colonies.....         | 86,241,686.85   | 12,688,251.21    | -----                          | -----           |
| Yugoslavia.....                          | -----           | 16,300.00        | 623,065.20                     | -----           |
| American Republics.....                  | 95,026,928.29   | 5,878,426.83     | -----                          | 3,000,000.00    |
| Totals.....                              | 448,800,670.40  | 43,695,153.13    | 2,534,581.75                   | 79,252,457.00   |

## Recapitulation:

|                                     |                  |
|-------------------------------------|------------------|
| United States dollars.....          | \$448,800,670.40 |
| Foreign currency.....               | 43,695,153.13    |
| Real property and improvements..... | 2,534,581.75     |
| Other credits.....                  | 79,252,457.00    |
| Total credits.....                  | \$74,282,862.28  |



## STATEMENT (d)

**CUMULATIVE STATEMENT REFLECTING THE INDEBTEDNESS OF FOREIGN GOVERNMENTS FOR MATERIALS  
FURNISHED ON CASH REIMBURSABLE REQUISITIONS<sup>1</sup> (AS OF DECEMBER 31, 1955)**

|  | Total obligations | Credits          |                       |                                      |                 | Amounts due<br>foreign<br>governments | Balance due   |
|--|-------------------|------------------|-----------------------|--------------------------------------|-----------------|---------------------------------------|---------------|
|  |                   | U.S. dollars     | Foreign cur-<br>rency | Real property<br>and<br>improvements | Other credits   |                                       |               |
| Australia.....                                 | \$5,798,342.00    | \$5,795,215.14   |                       |                                      |                 |                                       | \$3,126.86    |
| Belgium.....                                   | 26,749,473.46     | 26,682,896.63    | \$68,576.83           |                                      |                 |                                       | 0.00          |
| Burma.....                                     | 26,440,223.82     |                  | 440,223.82            |                                      |                 |                                       | 0.00          |
| Canada.....                                    | 388,757,601.09    | 388,757,601.09   |                       |                                      |                 |                                       | 0.00          |
| China.....                                     | 27,046,128.79     | 10,417,158.07    |                       |                                      |                 | \$3,584,435.73                        | 20,213,406.45 |
| Czechoslovakia.....                            | 3,368.00          | 3,368.00         |                       |                                      |                 |                                       | 0.00          |
| Denmark.....                                   | 4,059,107.95      | 4,059,107.95     |                       |                                      |                 |                                       | 0.00          |
| Ethiopia.....                                  | 35,242.57         | 35,242.57        |                       |                                      |                 |                                       | 0.00          |
| Finland.....                                   | 13.00             | 13.00            |                       |                                      |                 |                                       | 0.00          |
| France.....                                    | 332,079,086.11    | 283,688,354.85   | 90,731.26             |                                      | \$48,300,000.00 | 1,766.62                              | 0.00          |
| Greece.....                                    | 103,428.32        | 105,194.94       |                       |                                      |                 |                                       | 0.00          |
| Greenland.....                                 | 8,351.28          | 8,351.28         |                       |                                      |                 |                                       | 0.00          |
| Iceland.....                                   | 4,496,553.29      | 4,496,553.29     |                       |                                      |                 |                                       | 0.00          |
| India.....                                     | 66,667,677.59     | 62,080,717.71    |                       |                                      | 85,426.76       |                                       | 4,501,533.12  |
| Iran.....                                      | 124,378.33        | 34,378.33        |                       |                                      |                 |                                       | 90,000.00     |
| Iraq.....                                      | 54.00             | 54.00            |                       |                                      |                 |                                       | 0.00          |
| Italy.....                                     | 80,635,955.14     | 80,635,955.14    |                       |                                      |                 |                                       | 0.00          |
| Liberia.....                                   | 17,937.27         | 17,937.27        |                       |                                      |                 |                                       | 0.00          |
| Middle East <sup>2</sup> .....                 | 50,377,089.88     | 11,126,866.72    | 36,234,823.16         |                                      |                 |                                       | 15,400.00     |
| Netherlands.....                               | 34,497,543.10     | 26,986,758.01    |                       |                                      | 7,510,785.09    |                                       | 0.00          |
| New Zealand.....                               | 602,556.05        | 602,556.05       |                       |                                      |                 |                                       | 0.00          |
| Norway.....                                    | 9,982,550.99      | 9,982,550.99     |                       |                                      |                 |                                       | 0.00          |
| Poland.....                                    | 250.00            |                  |                       |                                      |                 |                                       | 250.00        |
| Southern Rhodesia.....                         | 1,415,510.98      | 1,371,931.69     |                       |                                      |                 |                                       | 43,579.29     |
| Sweden.....                                    | 240,689.98        | 240,689.98       |                       |                                      |                 |                                       | 0.00          |
| Thailand.....                                  | 217.00            | 217.00           |                       |                                      |                 |                                       | 0.00          |
| Turkey.....                                    | 3,322,940.28      | 3,322,940.28     |                       |                                      |                 |                                       | 0.00          |
| Union of South Africa.....                     | 16,516,848.27     | 16,516,848.27    |                       |                                      |                 |                                       | 0.00          |
| U.S.S.R.....                                   | 17,147,136.51     | 10,036,257.58    |                       |                                      |                 |                                       | 7,110,878.93  |
| United Kingdom and Colonies <sup>3</sup> ..... | 250,145,433.55    | 100,928,376.57   | 594,156.03            |                                      | 148,621,902.25  |                                       | 0.00          |
| Yugoslavia.....                                | 63,376.50         | 63,376.50        |                       |                                      |                 |                                       | 0.00          |
| American Republics.....                        | 12,467,294.32     | 11,422,105.31    | 4,239.84              |                                      |                 |                                       | 1,040,949.17  |
| Totals.....                                    | 1,333,802,379.72  | 1,059,420,593.21 | 40,430,760.94         |                                      | 204,518,114.10  | 3,586,202.35                          | 33,019,123.82 |

<sup>1</sup> Includes postwar monetary recoveries.<sup>2</sup> During 1955 the amount \$3,698.36 was collected.<sup>3</sup> During 1955 the amount \$236.00 was collected, and a reduction of \$360.40 was made to the Principal Obligation of Middle East Countries.<sup>4</sup> During 1955 the amount \$34,885.10 was collected. Total collections during 1955 on cash accounts were \$38,829.46.

## STATEMENT (e)

STATEMENT OF AMOUNTS DUE THE UNITED STATES UNDER THE  
LEND-LEASE SILVER AGREEMENTS AS OF DECEMBER 31, 1955

| Government           | Fine troy<br>ounces loaned | Fine troy<br>ounces<br>returned | Fine troy<br>ounces<br>balance |
|----------------------|----------------------------|---------------------------------|--------------------------------|
| Australia.....       | 11, 772, 730. 21           |                                 | 11, 772, 730. 21               |
| Belgium.....         | <sup>1</sup> 261, 333. 33  | 261, 333. 33                    |                                |
| Ethiopia.....        | 5, 425, 000. 00            |                                 | 5, 425, 000. 00                |
| India.....           | 225, 999, 903. 83          |                                 | 225, 999, 903. 83              |
| The Netherlands..... | 33, 568, 782. 62           | 23, 168, 838. 63                | 33, 568, 782. 62               |
| Saudi Arabia.....    | 21, 316, 120. 01           |                                 | 21, 316, 120. 01               |
| United Kingdom.....  | 83, 270, 241. 84           |                                 | 83, 270, 241. 84               |
| Totals.....          | 409, 782, 670. 47          | 23, 429, 921. 96                | 386, 352, 748. 51              |

<sup>1</sup> Returned to the United States in 1947.

## CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS

During 1955 negotiations were continued by the Department of State with several countries on various lend-lease problems. Considerable progress was made with the Government of Poland and, by the end of the year, agreement in principle had been reached on a settlement of Poland's lend-lease obligations to the United States. However, a number of technical questions still required attention, with the result that the settlement agreement could not be signed before the end of the period covered by this report.

Further efforts were made by the Department of State, in across-the-table negotiations with the U.S.S.R., for the return of lend-lease naval craft still held by that Government. Some progress was made on this particular problem, with the result that the U.S.S.R., carrying out the terms of an agreement made in December 1954, returned to United States custody 27 small craft at a port in Japan and, under a 1955 agreement, returned 62 more at a port in Germany.

There were no changes of any consequence in connection with the settlement of lend-lease accounts with the Governments of Bolivia, China, and Ecuador. However, on a number of occasions the attention of the Government of Ecuador was drawn to the need for concrete action on its part toward a settlement of the amount still due to the United States under a "cash reimbursement" lend-lease account.

### POLAND

The negotiations which commenced in June 1954 with the Ambassador of Poland were continued during 1955. The negotiations were successful and resulted in agreement in principle on the form and terms of a lend-lease settlement. A number of technical points remained to be dealt with, but, as matters stood at the end of 1955, a mutually satisfactory lend-lease agreement with Poland should be signed during 1956.

### U.S.S.R.

Further efforts were made during 1955 to obtain the return of naval craft which had been furnished to the U.S.S.R. under lend-lease. During June and July the Soviet Government returned 27 of those craft, consisting of 15 landing craft, infantry (LCI), 8 motor torpedo boats, and 4 submarine chasers at the port of Maizuru, Japan. Agreement on the return of these craft had been concluded on Decem-

ber 22, 1954, as was reported in the *Thirty-sixth Report to Congress on Lend-Lease Operations*.

On May 26, 1955, a further agreement was reached on the procedure for the return of 62 additional naval craft at the port of Kiel, Germany. This group of craft, made up of 6 submarine chasers and 56 motor torpedo boats, also was returned to United States control during the months of July and August (*Exhibit A*).<sup>1</sup>

Discussions between representatives of the Governments of the United States and the U.S.S.R. continued during the year on the return of another group of 59 naval craft reported to be located in the Barents Sea. The negotiators were unable to agree on a port of return. The Soviet Government proposed on July 22 that, in view of the dilapidated condition of these craft, they be sunk in the Varanger Fjord in the presence of United States observers. No reply to this proposal had been made by the United States by the close of 1955.

## EXHIBIT A

### DEPARTMENT OF STATE FOR THE PRESS

May 27, 1955

No. 297

#### Return by U.S.S.R. of Lend-Lease Naval Craft

On May 26, 1955, representatives of the United States and Soviet Governments signed an agreement on the dates and procedures for the return to United States control of 62 small naval craft loaned to the Soviet Union under lend-lease during World War II. The 62 craft, consisting of 6 submarine chasers and 56 motor torpedo boats, are to be turned over to United States Navy representatives at the port of Kiel, Germany, during the months of July and August 1955.

These craft are part of a group of 186 naval craft, the return of which the United States first requested on September 3, 1948. The Soviet Government agreed to return the 186 craft on October 20, 1953. On December 28, 1953, representatives of the two Governments began to work out the necessary details for the return of the craft.

In May and June 1954, 38 naval craft, consisting of 12 motor torpedo boats and 26 submarine chasers, were returned to United States Navy control at the port of Istanbul, Turkey. Twenty-seven other craft, consisting of 4 submarine chasers, 8 motor torpedo boats, and 15 landing craft (infantry), are to be returned at the port of Maizuru, Japan, during the months of June and July.

Discussions are continuing on the ports, dates, and procedures for the return of the remaining 59 naval craft.

\* \* \* \* \*

<sup>1</sup> State Department Press Release No. 297, May 27, 1955.

## CONCLUSION

The Appendixes published in the following section of the report show, as revised to include all changes through December 31, 1955, summaries of defense aid furnished (Appendixes I (a), I (b), and I (c)), the customary "Status of Nations" tabulation (Appendix II), and the text of the Lend-Lease Act of March 11, 1941, and pertinent amendments thereto (Appendix III).

It has not been feasible to carry in every one of these reports continuing reference to the many important phases of lend-lease history. However, for the convenience of those who may be interested, there are cited in the following list, under their respective titles, items about which information is frequently sought, together with the report number in which they were most recently published:

| Subject  | Lend-lease report <sup>1</sup> | Page |
|--|--------------------------------|------|
| Appropriations and authorizations.....             | Thirty fifth.....              | 30   |
| British colonial dependencies.....                 | Twenty-second.....             | 88   |
| British "White Paper" of Sept. 10, 1941.....       | do.....                        | 36   |
| "Cargoes, Incorporated".....                       | Sixth.....                     | 12   |
| Caribbean Revolving Fund.....                      | Twenty-eighth.....             | 45   |
| Cash reimbursement accounts.....                   | Thirty-sixth.....              | 6    |
| Chronology of lend-lease to January 1946.....      | Twenty-first.....              | 54   |
| Declaration by United Nations.....                 | Seventh.....                   | 32   |
| Defense aid provided.....                          | Thirty-seventh.....            | 14   |
| Executive orders establishing:                     |                                |      |
| Office of Lend-Lease Administration.....           | Eighteenth.....                | 76   |
| Foreign Economic Administration <sup>1</sup> ..... | .....                          | 74   |
| Facts and fiction of lend-lease.....               | Nineteenth.....                | 40   |
| General statements of account.....                 | Thirty-seventh.....            | 3    |
| Lend-Lease Act of Mar. 11, 1941.....               | do.....                        | 22   |
| Liberia port project.....                          | Thirty-fifth.....              | 15   |
| Pipeline operations.....                           | Twenty-third.....              | 18   |
| Reciprocal aid (reverse lend-lease).....           | Thirty-third.....              | 27   |
| Silver accounts.....                               | Thirty-seventh.....            | 7    |
| Status of nations (old form) <sup>2</sup> .....    | Twenty-first.....              | 44   |
| Status of nations <sup>3</sup> .....               | Thirty-seventh.....            | 15   |
| Termination of lend-lease.....                     | Thirty-second.....             | 40   |

<sup>1</sup> The Office of Lend-Lease Administration was established by Executive Order 8926, October 28, 1941, succeeding Division of Defense Aid Reports established by Executive Order 8751, May 2, 1941; consolidated into Foreign Economic Administration by Executive Order 9380, September 25, 1943. Executive Order 9630, September 27, 1945, terminated FEA and transferred to Department of State. In Part I, par. 2, all lend-lease functions exercised by FEA and its agencies. Lend-lease fiscal responsibilities were transferred to Treasury Department by Executive Order 9726, May 17, 1946.

<sup>2</sup> This table entitled "Status of Nations" appeared in earlier issues of the *Report to Congress on Lend-Lease Operations*; it furnished dates of the signing of reciprocal aid agreements, where agreements of that type were made, and the date on which the various governments signed the *Declaration by United Nations of 1942* (not to be confused with the *Charter of the United Nations* which was signed in San Francisco in 1945).

<sup>3</sup> The reports in which some of the lend-lease agreements have appeared may be ascertained by referral to the Status of Nations tabulation published as Appendix II in this report.

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## APPENDIXES

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## APPENDIX I

### LEND-LEASE FISCAL OPERATIONS

Executive Order No. 9726 of May 17, 1946, placed responsibility for the maintenance of accounting and other fiscal records relating to lend-lease with the Treasury Department. Annually thereafter a series of lend-lease fiscal statements have been furnished the Department of State. When sufficiently important changes are noted, the statements are published in the Reports to Congress on Lend-Lease Operations.

Appendixes I (a), I (b), and I (c), as presented on the following pages, reflect the status of accounts as shown on the official records of the Treasury Department at the close of the calendar year 1955.



## APPENDIX I (a.)

*Summary Statement of Defense Aid Provided—Cumulative Through December 31, 1955*

| SOURCE OF FUNDS   |                         |
|---|-------------------------|
| From appropriations to:   |                         |
| Lend-Lease Administration Appropriation.....                        | \$25, 131, 436, 735. 49 |
| Less: Obligations in excess of reports of defense aid provided..... | 25, 372, 554. 96        |
|   | \$25, 106, 064, 180. 53 |
| Department of the Army appropriations.....                          | 19, 501, 520, 108. 22   |
| Department of the Navy appropriations.....                          | 4, 757, 623, 070. 76    |
| Maritime (W. S. A.) appropriations.....                             | 620, 647, 410. 38       |
| From foreign governments funds.....                                 | 1 221, 503, 783. 49     |
| From reissues of returned lend-lease articles.....                  | 1, 042, 394. 71         |
| Total.....  | \$50, 208, 400, 948. 09 |
| DEFENSE AID PROVIDED  |                         |
| Charged to foreign governments:                                     |                         |
| Materials.....  | 46, 970, 824, 657. 83   |
| Services and other expenses.....                                    | 1, 248, 941, 981. 51    |
| Aid furnished through commanding generals.....                      | 680, 351, 211. 72       |
|   | 48, 900, 117, 851. 06   |
| Not charged to foreign governments:                                 |                         |
| Construction in United States to facilitate lend-lease.....         | 720, 803, 118. 11       |
| Administrative expenses.....  | 40, 113, 026. 92        |
| Losses on inventories and facilities.....                           | 31, 172, 831. 39        |
| Miscellaneous charges.....  | 516, 194, 120. 61       |
|   | 1, 308, 283, 097. 03    |
| Total aid provided.....   | 50, 208, 400, 948. 09   |

<sup>1</sup> This represents funds received by Lend-Lease Fiscal Office and allocated to procuring agencies. In addition, the foreign governments have paid approximately \$920 million to the United States for lend-lease items purchased out of U.S. Government funds. This latter amount has been reappropriated or deposited to the General Fund of the Treasury.

| APPENDIX 1 (b)  |                |                       |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
|---|----------------|-----------------------|----------------------------|---------------------|----------------------------|--------------------------|---------------------------|-------------------------------------|----------------------------------|---------------------|-------------------------|
| Statement of defense and provided by country and by appropriation category, continuation through Dec 31, 2022 |                |                       |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
|   | Total          | Offshore and Overseas | African and Middle Eastern | Latin and Caribbean | Venezuela and Other Waters | Algeria and Other Waters | Refugees and Resettlement | Anti-Terrorism and Counterterrorism | Traffic, Humanitarian, and Other | Personnel and Other | Administrative Expenses |
| CHARGES TO FOREIGN COUNTRIES  |                |                       |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Regular   | \$3,500,000.00 | \$116,000.00          | \$4,300,000.00             | \$74,375.00         | \$67,100.00                | \$600,000.00             | \$500,000.00              | \$50,000.00                         | \$1,900,000.00                   | \$1,900,000.00      | \$500,000.00            |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Regular   | 3,500,000.00   | 1,166,000.00          | 4,300,000.00               | 74,375.00           | 67,100.00                  | 600,000.00               | 500,000.00                | 50,000.00                           | 1,900,000.00                     | 1,900,000.00        | 500,000.00              |
| Algeria - Special   | 1,000,000.00   | 1,000,000.00          |                            |                     |                            |                          |                           |                                     |                                  |                     |                         |
| Algeria - Total   | 4,500,000.00   | 2,166,000.00          | 4,300,000.00               |                     |                            |                          |                           |                                     |                                  |                     |                         |



Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1945, through Dec. 31, 1955

|                                       | Total        | Deposits and<br>Outstanding Debt | Amounts<br>Accrued<br>Expenses | Transfers of<br>Assets | Transfer of<br>Other Assets | Management<br>Fiduciary<br>Component | Partners and<br>Associates | Assets of<br>Partners and<br>Associates | Transfer<br>of Assets to<br>Other<br>Accounts | Retained Earnings | Accumulated<br>Depreciation |
|---------------------------------------|--------------|----------------------------------|--------------------------------|------------------------|-----------------------------|--------------------------------------|----------------------------|---|---|-------------------|-----------------------------|
| <b>CHANGES TO FOREIGN GOVERNMENTS</b> |              |                                  |                                |                        |                             |                                      |                            |   |   |                   |                             |
| Amount Expended:                      | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Foreign Exchange                      | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Interest Expense                      | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Income Tax Expense                    | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Operating Expenses                    | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Income                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Expenses                        | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Assets                          | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Liabilities                     | \$645,735.13 | \$645,735.13                     | \$645,000.00                   | \$645,735.13           | \$645,735.13                | \$645,735.13                         | \$645,735.13               | \$645,735.13                            | \$645,735.13                                  | \$645,735.13      | \$645,735.13                |
| Other Equity                          | \$645,735.13 | \$645,735.13                     | \$645,000.00</                 |                        |                             |                                      |                            |   |   |                   |                             |

<sup>1</sup> Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pages 8 and 9.





## APPENDIX II

### STATUS OF NATIONS

The tabulation entitled "Status of Nations," which is presented in the following pages, is to some extent a progress report on what has been accomplished toward settling the lend-lease, reciprocal aid, and other accounts which, together, constituted the overall mutual aid programs of World War II.

For each country there are given references to such pertinent developments as the date of the declaration by the President of its lend-lease eligibility and the date on which its respective basic lend-lease agreement with the United States was signed, together with information about where, if published, it may be found.

Similar data concerned with lend-lease and related settlement agreements are provided. All changes and additions resulting from 1955 operations have been included in the tabulation.

NOTE.—*Treaties and Other International Acts Series* (TIAS) has replaced the Department of State publications *Treaty Series* (TS) and *Executive Agreement Series* (EAS). The texts printed in the present series, as in the *Treaty Series* and *Executive Agreement Series*, are authentic and, in appropriate cases, are certified by the Department of State. The *Treaties and Other International Acts Series* begins with number 1501, the last number of the *Treaty Series* being 994 and of the *Executive Agreement Series* being 506. The compilation of annual volumes entitled *United States Treaties and Other International Agreements* (cited as UST) is the successor to the *United States Statutes at Large* so far as concerns the texts of treaties and agreements which have been entered into force beginning with the year 1950.

|                 |                                |               |   |               |   |
|-----------------|--------------------------------|---------------|---|---------------|---|
| Uruguay.....    | May 6, 1941                    | June 29, 1943 | Unpublished acknowledgment of discharge of obligations under agreement relating to petroleum (VI) of Mar. 27, 1946.   | Mar. 27, 1946 | Amended Patent Interchange Agreement, TIAS 1510; 60 Stat. 1566.     |
| Venezuela.....  | do.....                        | July 12, 1943 | Joint Insulations in Middle East, TIAS 1766; 62 Stat. (2) 2027.   | May 7, 1946   | Marine Transportation and Litigation, TIAS 1538; 60 Stat. 1538.     |
|                 |                                | do.....       | Accounts and claims (wind-up of residual accounts and claims) 27th L-L Rpt. p. 58; TIAS 1770; 62 Stat. (2) 2133.  | Jan. 23, 1947 | Acts of Civilians, TIAS 1622; 61 Stat. (3) 2876.                    |
|                 |                                | Apr. 28, 1932 | Extension of Amendment of Settlement of Dec. 6, 1945; TIAS 2562   | June 27, 1947 | Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014. |
|                 | Jan. 13, 1942<br>Mar. 18, 1942 | Apr. 27, 1940 | Prepaid in dollars.<br>Final payment under Lend-Lease Agreement of Mar. 18, 1942; reported in 26th L-L Rpt. p. 2.<br>27th L-L Rpt. p. 64; TIAS 1779; 62 Stat. (2) 2133. |               |   |
| Yugoslavia..... | Nov. 11, 1941                  | July 24, 1942 | EAS 263; 56 Stat. 1570.....   |               |   |

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility for defense aid furnished, was accepted by each beneficiary nation. The aggregate amount due has been paid in full in cash and/or through specially negotiated settlement arrangements.

<sup>2</sup> The historic document entitled *The Declaration by United Nations* for a cooperative war effort (not to be confused with the *Charter of the United Nations* signed in San Francisco in 1945) originally was signed on Jan. 1, 1942, by representatives of 26 nations and, on later dates, by 19 others. (See *Twenty-first Report to Congress on Lend-Lease Operations*, pp. 44-45.) It confirmed and accepted the principles of the *Atlantic Charter*, a Joint Declaration (Aug. 14, 1941) by the President of the United States and the Prime Minister of the United Kingdom (EAS 236; 55 Stat. 1503).

<sup>3</sup> A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946. Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>4</sup> Wind-up of residual accounts and claims.

#### ADDENDUM

Aid was furnished, under special circumstances and specific conditions, to certain countries which never had formally been declared eligible for formal lend-lease treatment. These are Burma (see above table), Denmark, Finland, Greenland, Italy, Panama, Sweden, and Thailand.

Transfers to Denmark were made pursuant to arrangements described in the Twenty-first Report to Congress on Lend-Lease Operations, and those made to Italy were pursuant to arrangements described in the Twenty-third Report to Congress on Lend-Lease Operations. In respect to the others named, a *modus operandi*, very similar to that used for lend-lease cash-reimbursement transactions but not under the Lend-Lease Act, was used to help these governments to acquire approved essential goods and services.

## APPENDIX III

### THE "LEND-LEASE" ACT

NOTE.—There are reprinted herein for purposes of convenience most of the principal laws and documents relating to lend-lease. Nearly all of these have been included in previous reports, many of which are now out of print. The text of the Act of March 11, 1941, appears below in the form in which it was originally passed.

#### PUBLIC LAW 11

#### SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 11, 1941*

AN ACT Further to promote the defense of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States".*

#### SECTION 2

As used in this Act—

(a) The term "defense article" means—

- (1) Any weapon, munition, aircraft, vessel, or boat;
- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection: Manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

#### SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense articles for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropri-



ated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

#### SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

#### SECTION 5

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any governments shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information

for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

## SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

## SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

## SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

## SECTION 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

## SECTION 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved March 27, 1941*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Approved October 28, 1941*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government, to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States;

and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000.

## PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved March 5, 1942*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

## PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Approved October 26, 1942*

## TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States", approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 201 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation Act for the same purpose, shall be deemed to include the authority to procure, dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

## PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

*Approved March 11, 1943*

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947".

## PUBLIC LAW 304

SEVENTY-EIGHTH CONGRESS, SECOND SESSION

*Approved May 17, 1944*

AN ACT To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of an Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however*, That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure."

## PUBLIC LAW 31

SEVENTY-NINTH CONGRESS, FIRST SESSION

*Approved April 16, 1945*

AN ACT To extend for one year the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of an Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949".

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier", inserting a semicolon, and the following new language: "*Provided, however*, That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction."

## PUBLIC LAW 521

SEVENTY-NINTH CONGRESS

*Approved July 23, 1946**Title I. General Appropriations*

## DEFENSE AID—LEND-LEASE

\* \* \* \* \*  
Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and other Acts mentioned in

said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided, That* the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

\* \* \* \* \*  
SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946".

PUBLIC LAW 271

EIGHTIETH CONGRESS

*Approved July 30, 1947*

AN ACT Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That* the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided, That* the foregoing amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of one Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

\* \* \* \* \*

PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

*Approved May 10, 1948*

GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

PUBLIC LAW 785

EIGHTIETH CONGRESS, SECOND SESSION

*Approved June 25, 1948*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That* the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiency appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

**Administrative expenses:** For the liquidation by the Treasury Department in the fiscal year 1949 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, \$250,000.

**Obligations:** Not to exceed \$25,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1949, for liquidation of obligations incurred under said Act prior to June 30, 1946, and for payment of claims, approved prior to June 30, 1949, under a patent interchange agreement executed pursuant to said Act.

## PUBLIC LAW 343

## EIGHTY-FIRST CONGRESS

*Approved October 10, 1949*

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1949, and for other purposes, namely:

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

**Administrative expenses:** For the liquidation by the Treasury Department in the fiscal year 1950 of activities under an Act to promote the defense of the United States (55 Stat. 31), as amended, including personal services in the District of Columbia, \$100,000.

**Obligations:** Not to exceed \$1,000,000 of the funds appropriated or continued available by title II of the Second Deficiency Appropriation Act, 1945, for carrying out the provisions of an Act to promote the defense of the United States (55 Stat. 31), as amended, shall remain available for expenditure until June 30, 1950, for payment of claims, received prior to December 31, 1949, under a patent interchange agreement executed pursuant to said Act.

## ADDENDUM

## AUTHORITY FOR LEASING VESSELS UNDER LEND-LEASE PROGRAMS

The United States Charter Party Agreements with other lend-lease countries with which Navy lend-lease vessels operated are based on the authority in Public Law 1 of the 78th Congress and the Lend-Lease Act of March 11, 1941. The pertinent portion reads:

## PUBLIC LAW 1

## SEVENTY-EIGHTH CONGRESS

*Approved February 19, 1943*

SEC. 4. Hereafter any ship, boat, barge, or floating drydock of the Navy may be leased in accordance with the Act approved March 11, 1941 (55 Stat. 31), but not otherwise disposed of, for periods not beyond the termination of the present wars, but title thereto shall remain in the United States.



# APPENDIX

Authority for Lend-Lease Operations Under Lend-Lease Program  
The United States Lend-Lease Administration with other lend-lease  
agencies which have been created are based on  
the authority in Public Law 1 of the 75th Congress and Lend-Lease  
Act of March 11, 1941. The pertinent portion reads:

Public Law 1

Approved February 10, 1942

Sec. 4. Hereafter any ship, boat, cargo, or other property of the Navy may  
be leased in accordance with the Act approved January 11, 1941 (52 Stat. 31),  
but not otherwise disposed of, for a period not beyond the termination of the  
present war, but this power shall remain in the United States.